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Rating: Moody's "Aa"
(See "RATING")

PRELIMINARY OFFICIAL STATEMENT

Dated: March 24, 2026

NEW ISSUE – BOOK-ENTRY-ONLY

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the minimum alternative tax on certain corporations.



\$85,710,000*
BOARD OF REGENTS OF
TEXAS WOMAN'S UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND
IMPROVEMENT BONDS, SERIES 2026

Dated: April 1, 2026
(Interest accrues from the Delivery Date)

Due: July 1, as shown on page ii

The \$85,710,000* Revenue Financing System Refunding and Improvement Bonds, Series 2026 (the "Bonds") are special obligations of the Board of Regents (the "Board") of Texas Woman's University System (the "TWU System") payable from and secured solely by the Pledged Revenues (as defined herein) of TWU System's Revenue Financing System (as defined herein). The Bonds are issued pursuant to an Amended and Restated Master Resolution adopted by the Board on August 13, 2021 (the "Master Resolution"), and a Seventeenth Supplemental Resolution to the Master Resolution, adopted by the Board on February 13, 2026 (the "Seventeenth Supplemental Resolution"). The Bonds constitute Parity Obligations (as defined herein) under the Master Resolution. **THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE TWU SYSTEM, THE STATE OF TEXAS (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS** (see "SECURITY FOR THE BONDS").

The proceeds from the sale of the Bonds will be used for the following purposes: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, activities, services, operations or other facilities, including roads and related infrastructure, for the TWU System, (ii) refunding certain outstanding obligations of the Board to realize a net present value debt service savings (see "SCHEDULE I – SCHEDULE OF REFUNDED BONDS"), and (iii) paying costs of issuance related thereto (see "PLAN OF FINANCE").

Interest on the Bonds will accrue from the date of initial delivery (the "Delivery Date") to the initial purchasers listed below (the "Underwriters") and is payable on January 1, 2027 and each July 1 and January 1 thereafter until maturity or prior redemption with the exception of the Bond maturing on July 1, 2026 which will be paid with interest upon maturity. Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds are initially issuable only to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Interest on and principal of the Bonds will be payable by BOKF, NA, Dallas, Texas, the initial Paying Agent/Registrar, to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds (see "DESCRIPTION OF THE BONDS – Book-Entry-Only System").

The Bonds are subject to optional redemption as provided herein. Additionally, any Term Bonds (defined herein) will be subject to mandatory sinking fund redemption (see "DESCRIPTION OF THE BONDS – Redemption Provisions").

MATURITY SCHEDULE

See page ii

CUSIP Prefix: 882874

The Bonds are offered for delivery when, as and if issued and received by the Underwriters, and subject to the approving opinion of the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see APPENDIX D – "Form of Bond Counsel Opinion"). Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Bonds are expected to be available for delivery through DTC on or about April 23, 2026.

HILLTOPSECURITIES

J.P. MORGAN

PNC CAPITAL MARKETS LLC

*Preliminary, subject to change

MATURITY SCHEDULE**\$85,710,000*****REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2026**

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield⁽²⁾</u>	<u>CUSIP</u> <u>Suffix⁽¹⁾</u>	<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield⁽²⁾</u>	<u>CUSIP</u> <u>Suffix⁽¹⁾</u>
2026	\$325,000	%	%		2037	\$3,460,000	%	%	
2027	2,685,000				2038	3,630,000			
2028	3,640,000				2039	3,810,000			
2029	3,815,000				2040	4,000,000			
2030	4,005,000				2041	4,200,000			
2031	4,200,000				2042	4,410,000			
2032	4,415,000				2043	4,630,000			
2033	4,635,000				2044	4,865,000			
2034	4,870,000				2045	5,110,000			
2035	5,115,000				2046	5,360,000			
2036	4,530,000								

(Interest to accrue from Delivery Date)

Redemption Provisions*...The TWU System reserves the right, at its option, to redeem the Bonds having maturities on or after July 1, 20__, in whole or in part in principal amounts of \$5,000, or any integral multiple thereof, on July 1, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If two or more serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Seventeenth Supplemental Resolution and will be described in the Official Statement (see “DESCRIPTION OF THE BONDS – Redemption Provisions”).

*Preliminary, subject to change.

⁽¹⁾ CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is included solely for the convenience of the registered owners of the Bonds, is not intended to create a database and does not serve in any way as a substitute for the services provided by CUSIP. The Board, the TWU System, the Municipal Advisor, and the Underwriters are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

⁽²⁾ The initial offering yields will be established by and are the sole responsibility of the Underwriters and may subsequently be changed.

TEXAS WOMAN'S UNIVERSITY SYSTEM

BOARD OF REGENTS

<u>Name</u>	<u>Residence</u>	<u>Term Expires</u>
Dr. Crystal Wright, Chair	Houston	February 1, 2027
Ms. Ellen Amirkhan, Vice Chair	Dallas	February 1, 2027
Mr. Bob Hyde ⁽¹⁾	Irving	February 1, 2025
Ms. Stacie D. McDavid ⁽¹⁾	Fort Worth	February 1, 2025
Mrs. Mary P. Wilson ⁽¹⁾	Austin	February 1, 2025
Ms. Janelle Shepard	Weatherford	February 1, 2027
Ms. Bernadette C. Coleman	Denton	February 1, 2029
Ms. Kathleen Wu	Dallas	February 1, 2029
Vacant	---	---
Mr. David Jennings ⁽²⁾	Sanger	May 31, 2026

⁽¹⁾ State law provides that a Regent will continue to perform the duties of their office until the earlier of (i) the date his/her replacement is appointed, qualified and takes the oath of office or (ii) the last day of the first regular session of the Texas Legislature after the expiration of such term. The TWU System has not received notice of new Regent appointments from the Governor's office. When appointed, the new Regents will take their oath of office prior to their first Board meeting.

⁽²⁾ Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

PRINCIPAL ADMINISTRATORS

<u>Name</u>	<u>Title</u>	<u>Years of Exp.</u>	<u>Years at TWU</u>
Dr. Carine M. Feyten	Chancellor and President	42 years	12 years
Dr. Angela Bauer	Executive Vice President for Academic Affairs and Provost	34 years	2 years
Ms. Monica Christopher	Dallas Campus President	29 years	2 years
Dr. Monica Williams	Houston Campus President	29 years	2 years
Mr. Jason Tomlinson	Senior Vice President for Finance and Administration and CFOO	36 years	8 years
Ms. Melanie Ramirez	Associate Vice President for Financial Services	20 years	7 years
Mr. Paul Smith	Chief Accounting Officer and Controller	20 years	1 year
Dr. Beth Reissenweber	Chief Budget Officer	40 years	2 years

CONSULTANTS

Municipal Advisor

RBC Capital Markets, LLC
Dallas, Texas

Bond Counsel

McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

For additional information regarding the TWU System, please contact:

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Managing Director
RBC Capital Markets, LLC
200 Crescent Court, Suite 1500
Dallas, Texas 75201
(214) 989-1660

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information, or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board or the Underwriters.

For purposes of compliance with Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the “SEC”), this document constitutes an official statement of the Board that has been “deemed final” by the Board as of the date hereof, except for the omission of no more than the information permitted by subsection (b)(1) of Rule 15c2-12.

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the TWU System or other matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the purchasers of the Bonds. None of the Board, the TWU System, the Municipal Advisor or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown on page ii.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE BOARD, THE TWU SYSTEM, THE MUNICIPAL ADVISOR OR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY (“DTC”) OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The TWU System assumes no responsibility for the registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualifications provisions. NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented in this document are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless otherwise specified in this document, references to websites and the information or links contained therein are not incorporated into, and are not part of, this document.

This Official Statement contains summaries and descriptions of the plan of financing, the Master Resolution, the Seventeenth Supplemental Resolution, the Bonds, the Board, the TWU System and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the TWU System’s Municipal Advisor, RBC Capital Markets, LLC, Dallas, Texas.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of this final Official Statement will be submitted to the Municipal Securities Rulemaking Board and will be available through its Electronic Municipal Market Access system (“EMMA”). See “CONTINUING DISCLOSURE OF INFORMATION” for information regarding the Electronic Municipal Market Access system and for a description of the Board’s undertaking to provide certain information on a continuing basis.

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The cover page hereof, this page, the Schedule I, the Appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

**PRELIMINARY OFFICIAL STATEMENT
RELATING TO**

\$85,710,000*

**BOARD OF REGENTS OF TEXAS WOMAN’S UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2026**

INTRODUCTION

This Official Statement, which includes the cover pages, the Schedule and the Appendices hereto, provides certain information regarding the issuance by the Board of Regents (the “Board”) of Texas Woman’s University System (the “TWU System”), of its \$85,710,000* Revenue Financing System Refunding and Improvement Bonds, Series 2026 (the “Bonds”). Capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION.”

Texas Woman’s University (the “University”) was established in 1901, pursuant to the provisions of the Constitution and the laws of the State of Texas (the “State”) as an institution of higher education primarily for women. The Legislature of the State in the Eighty-Seventh Legislature, Regular Session, passed Senate Bill 1126 (“SB 1126”), which amended Chapter 107, Texas Education Code, to establish the TWU System. SB 1126 was signed by the Governor of the State and became effective on May 26, 2021. The TWU System currently operates the University’s campus in Denton, a major science center in Dallas (“TWU-Dallas”) and a major science center in Houston (“TWU-Houston”). For the 2025 Fall Semester, the TWU System had a total enrollment of approximately 15,505 students as of September 10, 2025 (enrollment census date). For a full description of the TWU System, see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM.”

Pursuant to an Amended and Restated Master Resolution adopted by the Board on August 13, 2021 (the “Master Resolution”), affirming the existing revenue financing system under the authority of the Board (the “Revenue Financing System”), the Revenue Financing System provides a financing structure for revenue supported indebtedness to reduce costs, increase borrowing capacity, provide additional security to the credit markets and provide the Board with increased financial flexibility. Pursuant to the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds and balances attributable to the TWU System that may lawfully be pledged to secure the payment of revenue-supported debt obligations and has pledged those sources as Pledged Revenues to secure the payment of revenue-supported debt obligations of the Board incurred as Parity Obligations under the Master Resolution. The Board has covenanted that it will not incur any additional debt secured by Pledged Revenues unless such debt constitutes Parity Obligations or is junior and subordinate to Parity Obligations. For additional information regarding the Revenue Financing System, Parity Obligations and Prior Encumbered Obligations (as defined herein), see “SECURITY FOR THE BONDS – The Revenue Financing System” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION.”

This Official Statement contains summaries and descriptions of the plan of finance, the Master Resolution, the Seventeenth Supplemental Resolution (as defined herein), the Bonds, the Board, the TWU System and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Jason Tomlinson, Vice President Finance and Administration, Texas Woman’s University System, P.O. Box 425588, Denton, Texas 76204.

PLAN OF FINANCE

Purpose

The proceeds from the sale of the Bonds will be used for the following purposes: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, activities, services, operations or other facilities, including roads and related infrastructure, for the TWU System, (ii) refunding certain outstanding obligations of the Board to realize a net present value debt service savings (see “SCHEDULE I – SCHEDULE OF REFUNDED BONDS”), and (iii) paying costs of issuance related thereto. Proceeds from the sale of the Bonds will finance capital projects for the TWU System, including but not limited to, the Merrilee Alexander Kick College of Business and Entrepreneurship and an athletic complex on the Denton campus.

Refunded Bonds

A description and identification of the Refunded Bonds appears in Schedule I attached hereto. The principal of and interest on the Refunded Bonds is to be paid on the scheduled redemption date, from funds to be deposited with BOKF, NA, Dallas, Texas (the “Escrow Agent”) pursuant to an Escrow Agreement (the “Escrow Agreement”) between the Board and the Escrow Agent.

The Seventeenth Supplemental Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriter, and other lawfully available funds, the Board will deposit with the Escrow Agent an amount which when added to the investment earnings thereon, will be sufficient to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held

*Preliminary, subject to change.

by the Escrow Agent in one or more escrow accounts (the “Escrow Fund”) and used to purchase certain governmental obligations permitted by the supplemental resolutions authorizing the issuance of the Refunded Bonds which are to be acquired and held in the Escrow Fund under the Escrow Agreements (the “Escrowed Securities”). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds.

Robert Thomas CPA, LLC (the “Verification Agent”) will verify at the time of delivery of the Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the respective series of the Refunded Bonds. Such maturing principal of and interest on the Escrowed Securities will not be available to pay the Bonds (see “VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS”).

By the deposit of the Escrowed Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement in the manner described above, the Board will have effected the defeasance of all of the Refunded Bonds in accordance with State law. As a result of such defeasance, the Refunded Bonds will be deemed fully paid and no longer outstanding except for the purpose of receiving payments from the Escrow Fund, and such Refunded Bonds will not be payable from or secured by any portion of the Pledged Revenues.

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be applied as follows:

Sources of Funds	
Par Amount of Bonds	\$
Net Original Issue Discount/Premium	
Total Sources of Funds	\$
Uses of Funds	
Deposit to Project Fund	\$
Deposit to Escrow Fund	
Costs of Issuance	
Underwriters’ Discount	
Total Uses of Funds	\$

DESCRIPTION OF THE BONDS

Authority for Issuance of the Bonds

The Bonds are being issued in accordance with the Constitution and general laws of the State, including particularly Chapter 55, Texas Education Code, and Chapters 1207 and 1371, Texas Government Code, as amended. The Bonds are being issued pursuant to the Master Resolution and a Seventeenth Supplemental Resolution to the Master Resolution, adopted by the Board on February 13, 2026 (the “Seventeenth Supplemental Resolution”). The Seventeenth Supplemental Resolution restricts the aggregate principal amount of bonds to be issued thereunder to \$100,000,000 and the aggregate principal amount of new money bonds to be issued thereunder to \$82,000,000 and authorizes the Chancellor and the Vice President for Finance and Administration, individually, but not jointly, to effect the sale of the bonds, in one or more series, authorized by the Seventeenth Supplemental Resolution. The Bonds will be the eighteenth series of debt obligations issued as Parity Obligations and payable from the Pledged Revenues. Certain of the Parity Obligations previously issued pursuant to the Master Resolution are no longer outstanding. The Master Resolution permits additional Parity Obligations to be issued in the future. For a description of the Outstanding Parity Obligations and the ability of the Board to issue additional Parity Obligations, see “SECURITY FOR THE BONDS – Additional Obligations” and “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Outstanding Indebtedness.” The Bonds would be the first series of Parity Obligations issued under authority of the Seventeenth Supplemental Resolution. The authority to effect the sale of Parity Obligations under the Seventeenth Supplemental Resolution expires on February 12, 2027.

General

The Bonds will be initially issued in book-entry-only form, but may subsequently be issued in certificated form, in either case only as fully registered bonds, without coupons, in any integral multiple of \$5,000 principal amount within a stated maturity. The Bonds will be dated April 1, 2026, will accrue interest from their delivery date, and will bear interest at the per annum rates, mature on the dates and in the principal amounts shown on the inside front cover page of this Official Statement. Interest on the Bonds is payable on January 1, 2027, and each July 1 and January 1 thereafter until maturity or prior redemption with the exception of the Bond maturing on July 1, 2026, which will be paid with interest upon maturity. Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months and paid to the person in whose name such Bond is registered on the Record Date (as hereinafter defined).

In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law or executive order to close in the city where the Designated Trust Office (as

hereinafter defined) of BOKF, NA, Dallas, Texas (the “Paying Agent/Registrar”) is located, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close (a “Business Day”). Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Redemption Provisions*

The TWU System reserves the right, at its option, to redeem the Bonds having maturities on or after July 1, 20__ , in whole or in part in principal amounts of \$5,000, or any integral multiple thereof, on July 1, 20____, or any date thereafter, at the part value thereof plus accrued interest to the date of redemption. Additionally, if two or more serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Seventeenth Supplemental Resolution and will be described in the Official Statement.

Selection of Bonds for Redemption

If less than all of the Bonds within a stated maturity are to be redeemed, the TWU System shall determine the principal amount and maturities to be redeemed and shall direct the Paying Agent/Registrar to select by lot or other customary method that results in a random selection, the Bonds or portions thereof, to be redeemed.

Notice of Redemption

The TWU System shall cause a written notice of such redemption to be deposited in the United States mail, first class, postage prepaid, addressed to each registered owner at the address shown on the registration books of the Paying Agent/Registrar at least 30 days prior to the date fixed for such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bonds. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Seventeenth Supplemental Resolution have been met and money sufficient to pay the principal of, premium if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the TWU System, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the TWU System will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER THE REGISTERED OWNER OF SUCH BOND RECEIVES SUCH NOTICE. UPON THE GIVING OF THE NOTICE OF REDEMPTION, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND INTEREST ON SUCH BOND OR PORTIONS THEREOF SHALL CEASE TO ACCRUE, IRRESPECTIVE OF WHETHER SUCH BONDS ARE SURRENDERED FOR PAYMENT, PROVIDED THAT MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE AND THE INTEREST ACCRUED ON THE PRINCIPAL AMOUNT TO BE REDEEMED TO THE DATE OF REDEMPTION ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR, UNLESS NOTICE OF THE PREREQUISITES HAVING NOT BEEN SATISFIED IS GIVEN AS DESCRIBED IN THIS SECTION.

Legality

The Bonds are offered when, as and if issued, subject to the approval of legality by the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see “LEGAL MATTERS”).

Paying Agent/Registrar

The Board covenants in the Seventeenth Supplemental Resolution to maintain and provide a paying agent/registrar at all times until the Bonds are paid off. The initial Paying Agent/Registrar for the Bonds is BOKF, NA, and its Dallas, Texas office is the initial “Designated Trust Office” for the Bonds.

Successor Paying Agent/Registrar

In the Seventeenth Supplemental Resolution, the Board reserves the right to replace the Paying Agent/Registrar. The Board covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a competent and legally qualified bank, trust company, financial institution, or other qualified agency. In the event that the entity at any time acting as Paying Agent/Registrar should resign or otherwise cease to act as such, the Board covenants to promptly appoint a competent and legally qualified bank, trust company, financial institution or other qualified agency to act as Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the Board agrees to promptly cause a written notice thereof to be sent to each registered owner of the affected Bonds by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

*Preliminary, subject to change.

Seventeenth Supplemental Resolution

The issuance, sale and delivery of the Bonds are authorized by the Seventeenth Supplemental Resolution. The Seventeenth Supplemental Resolution also contains the written determination by the Board, as required by the Master Resolution as a condition to the issuance of Parity Obligations, that it will have sufficient funds to meet the financial obligations of the TWU System, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System.

The Seventeenth Supplemental Resolution permits amendment, without the consent of the Bondholders, for the same purposes for which amendment may be made to the Master Resolution without the consent of the owners of outstanding Parity Obligations. The Seventeenth Supplemental Resolution also permits amendment, with the consent of the owners of a majority in aggregate principal amount of the outstanding Bonds, other than amendments which change the maturity of the outstanding Bonds, reduce the rate of interest borne by the outstanding Bonds, reduce the amount of principal payable on the outstanding Bonds, modify the payment of principal or interest on the outstanding Bonds, or impose any conditions with respect to such payment, affect the rights of the owners of less than all Bonds then outstanding, or change the minimum percentage of outstanding principal amount of Bonds necessary for consent to an amendment (see “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION – Amendment of Resolution”).

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company (“DTC”), New York, New York, while the Bonds are registered in its nominee’s name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Board, the TWU System, the Municipal Advisor and the Underwriters believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

The Board cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to each DTC Participant, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission (the “SEC”), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each stated maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). Direct Participants and Indirect Participants are collectively referred to as “DTC Participants.” DTC has a “AA+” rating from Standard & Poor’s. The DTC Rules applicable to its DTC Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the DTC Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of DTC Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, security certificates for each maturity of the Bonds are required to be printed and delivered. The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, security certificates for each maturity of the Bonds will be printed and delivered and the Bonds will be subject the transfer, exchange and registration provisions as set forth in the Seventeenth Supplemental Resolution and summarized under "DESCRIPTION OF THE BONDS – Transfer, Exchange, and Registration" below.

Use of Certain Terms in the Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners under the Seventeenth Supplemental Resolution will be given only to DTC.

Transfer, Exchange, and Registration

In the event the book-entry system is discontinued, the affected Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Trust Office of the Paying Agent/Registrar, or sent by United States mail, first-class, postage prepaid, to the new registered owner or the designee thereof. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer.

Limitation on Transfer of Bonds

Neither the Board nor the Paying Agent/Registrar shall be required to make any transfer or exchange during a period beginning with the close of business on any Record Date (defined below) and ending with the opening of business on the next following principal or interest payment date.

Record Date for Interest Payment

The record date (“Record Date”) for the interest payable on any interest payment date means the fifteenth day of the month next preceding such interest payment date.

Special Record Date

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the TWU System. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Bondholder appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Mutilated, Destroyed, Lost or Stolen Bonds

In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may register and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for, or in lieu of such mutilated, destroyed, lost or stolen Bond, only upon the approval of the TWU System and after (i) the filing by the registered owner thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the TWU System and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the registered owner of the Bond mutilated or destroyed, lost or stolen.

SECURITY FOR THE BONDS

The Revenue Financing System

The Master Resolution created the Revenue Financing System to provide a financing structure for revenue supported indebtedness of the TWU System and other entities which may be included in the future, by Board action, as Participants in the Revenue Financing System. The Revenue Financing System is intended to facilitate the assembling of all of the Participants’ revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. The Master Resolution provides that once a university or agency becomes a Participant, the lawfully available revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances attributable to that entity and pledged by the Board become part of the Pledged Revenues; provided, however, that, if at the time an entity becomes a Participant it has outstanding obligations secured by such sources, such obligations will constitute Prior Encumbered Obligations under the Master Resolution and the pledge of such sources as Pledged Revenues will be subject and subordinate to such outstanding Prior Encumbered Obligations. Thereafter, the Board may issue bonds, notes, commercial paper, contracts, or other evidence of indebtedness, including Credit Agreements, on behalf of such institution, on a parity, as to payment and security, with the Outstanding Parity Obligations, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such DTC Participant. Upon becoming a Participant, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Obligations. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Participant which were outstanding on the date such entity became a Participant in the Revenue Financing System. Currently, there are **no** Prior Encumbered Obligations outstanding. The University, TWU-Dallas and TWU-Houston currently are the only Participants, and the Board does not currently anticipate adding Participants to the Revenue Financing System which would result in the assumption of Prior Encumbered Obligations (see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Outstanding Indebtedness,” “– Background and History – Denton Campus,” “– Houston Center” and “– Dallas Center”).

Pledge Under Master Resolution

All Parity Obligations constitute special obligations of the Board equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues as described below.

The Pledged Revenues consist of the Revenue Funds (hereinafter defined), including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a supplement to the Master Resolution: (a) amounts received on behalf of any Participant under Article VII, Section 17 of the State Constitution, including the income therefrom and any fund balances relating thereto; and

certain Parity Obligations (see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Funding for the TWU System – State Appropriations”). However, there is no obligation of the State or the Texas Legislature to make any appropriation for this purpose.

The Board has covenanted in the Master Resolution that in each fiscal year it will establish, charge, and use its reasonable efforts to collect Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Revenue Financing System including all deposits or payments due on or with respect to outstanding Parity Obligations for such fiscal year. The Board has also covenanted in the Master Resolution that it will not incur any debt secured by Pledged Revenues unless such debt constitutes Parity Obligations or is junior and subordinate to the Parity Obligations. The Board intends to issue most of its revenue-supported debt obligations which benefit the Participants as Parity Obligations under the Master Resolution.

THE OPERATIONS OF THE TWU SYSTEM ARE DEPENDENT ON STATE APPROPRIATIONS. THE BOARD HAS NO ASSURANCE THAT STATE APPROPRIATIONS TO THE TWU SYSTEM WILL CONTINUE AT THE SAME LEVEL AS IN PREVIOUS YEARS (see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Funding for the TWU System”).

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE TWU SYSTEM, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS NO TAXING POWER, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED AS SECURITY FOR THE BONDS. THE BREACH OF ANY COVENANT, AGREEMENT, OR OBLIGATION CONTAINED IN THE MASTER RESOLUTION OR THE SEVENTEENTH SUPPLEMENTAL RESOLUTION WILL NOT IMPOSE OR RESULT IN GENERAL LIABILITY ON OR A CHARGE AGAINST THE GENERAL CREDIT OF THE BOARD OR THE TWU SYSTEM.

TWU SYSTEM DEBT

Outstanding Indebtedness

After the issuance of the Bonds, the Board will have the following described Revenue Financing System indebtedness:

<u>TWU System Parity Obligations</u>	<u>Outstanding Principal as of April 1, 2026</u>
The Bonds ⁽¹⁾	\$85,710,000
RFS Bonds, Series 2022A ⁽²⁾	77,585,000
RFS Bonds, Series 2022	33,475,000
RFS Bonds, Series 2021B	3,000,000
RFS Bonds, Series 2021A	12,825,000
RFS Refunding Bonds, Series 2019	3,555,000
RFS Bonds, Series 2018	9,130,000
RFS Refunding Bonds, Forward Delivery Series 2018 ⁽²⁾	8,380,000
RFS Bonds, Taxable Series 2017B	7,365,000
RFS Bonds, Series 2017A ⁽²⁾	43,950,000
RFS Bonds, Series 2016 ⁽³⁾	910,000
RFS Refunding Bonds, Series 2014 ⁽³⁾	<u>585,000</u>
Total⁽¹⁾	<u>\$286,470,000</u>

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ All or a portion of such bond series constitute bonds deemed herein-after defined as CCAP bonds. For fiscal year 2026 the CCAP appropriation from the State to the TWU System is \$13,237,525. Future reimbursement by the State for CCAP debt service is entirely subject to future appropriations by the Texas Legislature in each subsequent State biennium. (see “APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Funding for the TWU System – State Appropriations.”).

⁽³⁾ Excludes Refunded Bonds. Preliminary, subject to change.

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The following table is a summary of the debt service requirements of all Parity Obligations outstanding following the issuance of the Bonds.

TABLE 2
Debt Service Requirements

Fiscal Year	Outstanding Debt Service ⁽¹⁾		Less:	Plus: The Bonds ⁽²⁾		Total
	Principal	Interest	The Refunded Bonds ⁽²⁾	Principal	Interest	Debt Service Requirement
2026	\$ 17,765,000.00	\$ 9,965,743.52	\$ 331,996.88	\$ 325,000.00	\$ 3,069.44	\$ 27,726,816.08
2027	18,495,000.00	9,212,846.02	2,213,993.76	2,685,000.00	5,075,663.89	33,254,516.15
2028	19,280,000.00	8,419,558.46	2,220,775.00	3,640,000.00	4,135,000.00	33,253,783.46
2029	16,150,000.00	7,588,947.76	2,219,325.00	3,815,000.00	3,953,000.00	29,287,622.76
2030	15,905,000.00	6,821,894.16	2,214,762.50	4,005,000.00	3,762,250.00	28,279,381.66
2031	16,670,000.00	6,067,898.26	2,217,875.00	4,200,000.00	3,562,000.00	28,282,023.26
2032	16,835,000.00	5,310,691.86	2,213,300.00	4,415,000.00	3,352,000.00	27,699,391.86
2033	15,120,000.00	4,550,033.06	2,215,300.00	4,635,000.00	3,131,250.00	25,220,983.06
2034	15,815,000.00	3,850,020.66	2,217,500.00	4,870,000.00	2,899,500.00	25,217,020.66
2035	16,545,000.00	3,125,166.76	2,221,500.00	5,115,000.00	2,656,000.00	25,219,666.76
2036	16,475,000.00	2,353,663.06	1,375,050.00	4,530,000.00	2,400,250.00	24,383,863.06
2037	15,865,000.00	1,583,359.56	-	3,460,000.00	2,173,750.00	23,082,109.56
2038	4,095,000.00	822,631.26	-	3,630,000.00	2,000,750.00	10,548,381.26
2039	3,365,000.00	638,900.00	-	3,810,000.00	1,819,250.00	9,633,150.00
2040	3,525,000.00	479,900.00	-	4,000,000.00	1,628,750.00	9,633,650.00
2041	3,695,000.00	313,250.00	-	4,200,000.00	1,428,750.00	9,637,000.00
2042	2,825,000.00	141,250.00	-	4,410,000.00	1,218,750.00	8,595,000.00
2043	-	-	-	4,630,000.00	998,250.00	5,628,250.00
2044	-	-	-	4,865,000.00	766,750.00	5,631,750.00
2045	-	-	-	5,110,000.00	523,500.00	5,633,500.00
2046	-	-	-	5,360,000.00	268,000.00	5,628,000.00
Total	\$ 218,425,000.00	\$71,245,754.40	\$21,661,378.14	\$ 85,710,000.00	\$47,756,483.33	\$401,475,859.59

(1) The amount budgeted by the Texas Legislature for reimbursement of herein-after defined CCAP debt service for fiscal year 2026 is \$13,237,525 and for fiscal year 2027 is \$13,236,150. Future reimbursement by the State for CCAP debt service payments is entirely subject to future appropriations by the Texas Legislature in each subsequent State biennium. See “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Funding for the TWU System – State Appropriations”).

(2) Preliminary, subject to change. Debt service on the Bonds is projected at a true interest cost of 3.968% for purposes of illustration only.

Additional Obligations

The Board may issue additional Parity Obligations to provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping the property, buildings, structures, facilities, roads or related infrastructure for the Participants of the Revenue Financing System and to pay costs of issuance related to such additional Parity Obligations. The Board may also issue additional Parity Obligations to refund outstanding Prior Encumbered Obligations (if any) and Outstanding Parity Obligations (see “– The Revenue Financing System” herein). The Master Resolution provides that the Board may not issue or incur additional Parity Obligations unless (i) the Board shall determine the Participant (currently the TWU System) for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) the Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of their knowledge, the Board is in compliance with all covenants contained in the Master Resolution and any supplemental resolution and is not in default in the performance and observance of any of the terms, provisions, conditions thereof. The Bonds are the eighteenth issuance of debt secured by the Revenue Financing System (see “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION – Issuance of Additional Parity Obligations”). The Board does not anticipate the issuance of Parity Obligations within the next twelve months (see “DESCRIPTION OF THE BONDS – Authority for Issuance of the Bonds”).

The Board has engaged in a public/private partnership to construct and maintain residential and dining facilities used to support the TWU System’s core mission. Debt has been issued by third parties related to such projects and such projects are currently operating on the Denton Campus. This debt is not an obligation of the Board, the TWU System or any of its components; however, the TWU System is obligated to make lease payments on an annual appropriation basis to a third party pursuant to a lease associated with the dining facilities (see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Public Private Partnerships”).

Anticipated Issuance of Debt

The TWU System plans for future capital improvements through a Master Facilities Plan (the “Master Plan”). The most recent Master Plan was finalized in 2018 and provides an organizational framework designed to unify the 257-acre Denton Campus with the flexibility to accommodate a 31% enrollment increase from 2018-2038 as well as detailing considerations for growth and improved services at TWU-Dallas and TWU-Houston. The Master Plan details multiple capital projects that reflect academic and enrollment initiatives of the TWU System on the Denton Campus. Such initiatives will largely be advanced through the TWU System’s partnership with the State through the Capital Construction Assistance Project program (see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM – Funding for the TWU System”).

With the Bonds, the TWU System will fund the construction of the new home for the Merrilee Alexander Kick College of Business and Entrepreneurship on the University’s Denton campus. This new building will foster increased community and industry engagement; provide enhanced areas for faculty and student interaction, new classroom and instructional labs; and most importantly provide a home for business students and leaders at the University’s Denton campus. In addition, the Bonds will fund the construction of a new athletic complex on the east side of the University’s Denton campus. Previously identified in the Master Plan, this new complex will support the growing needs of the athletic teams that are utilizing the outdoor fields and have outgrown the capacity of Pioneer Hall. After the issuance of the Bonds, the TWU System does not anticipate the issuance of additional revenue bonds for other capital projects for the University’s Denton campus over the next 3-4 years.

The evolution of TWU to the Texas Woman’s University System dictates an expanded scope of programming and growth for both TWU-Dallas and TWU-Houston. As strategic enrollment plans and academic initiatives at each of the centers are developed, the capital improvement plans for each campus will be re-examined. At this time, the TWU System does not anticipate any large capital projects at either center over the next 3-5 years nor any revenue debt issuance for projects at these campuses.

Sources of funding for the Master Facilities Plan include legislative appropriations, constitutional appropriations, operational earnings of various institutional activities such as residence halls, athletic facilities, and the bookstore, balances reserved for this purpose, unallocated balances and proceeds from debt issuance. With respect to constitutional appropriations, if projects are identified to be funded from appropriations and the Texas Legislature fails to appropriate such funds, then the TWU System may elect to postpone those projects until funds are appropriated. A capital improvement plan is made for planning purposes and may identify projects that will be deferred or omitted entirely in future years. In addition, as conditions change, new projects may be added that are not currently identified. No assurance can be given that any of the projects included in the projected cost above will be implemented or that the expected benefits of any such projects will be realized.

RISK FACTORS FOR TWU SYSTEM OPERATIONS

State Appropriations

The operations of the TWU System are heavily dependent upon the continued support of the State through biennial appropriations of general revenues. The TWU System receives a significant portion of its operating funds from State appropriations. The Board has no assurance that the Texas Legislature will continue to appropriate to the TWU System the general revenue funds of the State at the same levels as in previous years. Future levels of State support are dependent upon the ability and willingness of the Texas Legislature to make appropriations to the TWU System taking into consideration the availability of financial resources and other potential uses of such resources. The State is not obligated to provide a specific appropriation in any year. The result of the future legislative deliberations cannot be predicted. Among the factors driving the allocation of State spending are population trends, court resolutions and lawsuits, federal mandates, statutory formulas, dedicated funds, and unanticipated expenditures resulting from unforeseen events, and unprecedented weather events. State funding on education cannot be predicted until available money and other demands can be more precisely predicted or identified.

Future Legislation

The Texas Legislature convenes in regular session every two years on odd-numbered years. In future sessions the Texas Legislature may consider bills that could have a direct impact on the TWU System. The TWU System can make no representations or predictions concerning the substance or the effect of any legislation that may be passed in the future or how such legislation could affect the TWU System.

Other Factors Relating to Pledged Revenues

In addition to the State funding described above, the Pledged Revenues of the TWU System which are pledged to secure the Bonds will be affected by any event which would either reduce the student enrollment at the facilities of TWU System member institution or otherwise diminish the amount of anticipated fees to be generated by student enrollment. The Pledged Revenues may be affected by future events and conditions including, among others: student access to financial aid and scholarships, admissions and retention strategies of the of TWU System member institutions, demand for the use of the facilities of TWU System member institution; the ability of the member institutions to attract qualified instructors, academic program decisions of the member institutions, demand for higher education in general; TWU System member institution’s response to regional and national employment needs; economic developments in the areas served by the TWU System member institutions, and, to some extent, nationally; competition from other universities and colleges or other institutions which might reflect changing attitudes toward traditional college education; tuition, fees

and other costs of education; state and federal regulation, including possible legislation and court decisions affecting the TWU System's fee structure; and national or global health issues that may impact the ability of the TWU System member institutions to provide educational services.

Cyber Security

Information technology and data are vital to the operations of the TWU System. As with any organization, these information systems may be subject to attempted attacks by malicious actors, both internal and external to the TWU System. Vulnerabilities may exist due to software flaws, employee error, negligence or malfeasance. A successful compromise of an information system within the TWU System may result in unauthorized access or disclosure of sensitive, confidential, or regulated information, and may also result in the disruption of TWU System operations. The TWU System recognizes this ongoing risk to the organization and its information assets.

The TWU System aims to reduce the likelihood of a material impact due to a cyber event using multiple risk mitigation strategies. In general, The TWU System adheres to the Texas Department of Information Resources (DIR) Security Controls framework as required and set forth in Texas Administrative Code (TAC) 202. Security risk assessments are performed to identify the inherent and residual risk related to confidential or sensitive information. Email communications are inspected and filtered to protect against spam and phishing attacks. Enterprise network firewalls filter malicious traffic based on a combination of access control lists and near real-time threat intelligence feeds. Anti-malware and ransomware protection has been deployed on TWU System desktop and laptop endpoints. The TWU System's security training and awareness initiatives aim to tackle the people-centric nature and challenges of information security. The TWU System is covered under a cybersecurity insurance policy.

Weather and Environmental Events

The TWU System and its component institutions are located in a variety of geographic regions throughout the State and, as a result, the TWU System and its component institutions may be exposed to differing climatic and environmental events, which may include potentially hazardous, natural disasters or catastrophic events (such as severe winds, heavy rains, flooding and freezing) and expose the TWU System and its component institutions to operational disruptions and casualty losses. Climatic and weather-related events have not materially impacted the TWU System or its component institutions thus far; however, the TWU System cannot predict if or when such events may occur in the future and what the impact an unprecedented weather event may have on the TWU System and/or its component institutions.

ABSENCE OF LITIGATION

Neither the Board nor the TWU System is a party to any litigation or other proceeding pending or, to the knowledge of such parties, threatened, in any court, governmental agency, public board or body or before any arbitrator or any governmental body or other administrative body (either state or federal) which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues or on the business, properties or assets or the condition, financial or otherwise, of the TWU System, and no litigation of any nature has been filed or, to their knowledge, threatened which seeks to restrain or enjoin the establishment of the Revenue Financing System, the issuance or delivery of the Bonds or the provisions made for the use of the Pledged Revenues to secure or pay the principal of or interest on the Bonds, or in any manner questioning the validity of the Bonds.

REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The TWU System assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

CONTINUING DISCLOSURE OF INFORMATION

In the Seventeenth Supplemental Resolution, the Board has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Board is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Board will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

The Board will provide certain updated financial information and operating data to MSRB annually via EMMA in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the SEC. The information to be updated includes all quantitative financial information and operating data with respect to the TWU System of the general type included in this Official Statement under

Tables 1 – 2 and in APPENDIX A Tables A-1 – A-8 and in APPENDIX B. The Board will update and provide this information within six months after the end of each fiscal year.

The Board may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the Board commissions an audit and it is completed within twelve months after the end of the applicable fiscal year. If the Board commissions an audit and the audited financial statements are not available by the end of the twelve month period, the Board will provide notice that the audited financial statements are not available, will provide unaudited financial information of the type described in the numbered tables referenced in the first paragraph of this section by the required time, and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. It is not expected that the Board will commission an audit annually. Hence, unaudited financial statements, as shown in APPENDIX B, are expected to be provided within twelve months after the end of the applicable fiscal year. However, the TWU System is audited as part of the State of Texas audit, but separate financial statements are not available.

The State's current fiscal year end is August 31. Accordingly, the Board must provide updated information within six months after the end of each fiscal year ending in or after 2026, unless the State changes its fiscal year. If the State changes its fiscal year, the Board will notify the MSRB via EMMA.

Disclosure Event Notices

The Board will also provide timely notices of certain events to the MSRB via EMMA. The Board will notify the MSRB, of any of the following events with respect to the Bonds, in a timely manner, not in excess of ten Business Days after the occurrence of the event: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Board; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the TWU System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties. (Neither the Bonds nor the Seventeenth Supplemental Resolution make any provision for debt service reserves or liquidity enhancement.)

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if jurisdiction has been assumed by leaving the Board and official or officers of the Board in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

As used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means the Board.

Limitations and Amendments

The Board has agreed to update information and to provide notices of certain events only as described above. The Board has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Board makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Board disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the Board to comply with its agreement.

The Board may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Board may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of said rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds. If the Board so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Agreements

During the last five years, the Board has complied in all material respects with all continuing disclosure undertakings made by it in accordance with SEC Rule 15c2-12.

LEGAL MATTERS

Legal matters relating to the Bonds are subject to approval of legality by the Attorney General of the State of Texas and of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Board ("Bond Counsel"), whose opinion will be delivered at the closing of the sale of the Bonds in substantially the form set forth in "APPENDIX D – FORM OF BOND COUNSEL OPINION". Bond Counsel was not requested to participate, and did not take part, in the preparation of this Official Statement except as hereinafter noted, and such firm has not assumed any responsibility with respect thereto or undertaken to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information relating to the Bonds, the Master Resolution, the Seventeenth Supplemental Resolution and the Revenue Financing System contained in this Official Statement under the captions "PLAN OF FINANCE", "DESCRIPTION OF THE BONDS" (other than information under the subcaption "– Book-Entry-Only System"), "SECURITY FOR THE BONDS" (other than any statistical or financial data contained therein), "REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE", "CONTINUING DISCLOSURE OF INFORMATION" (other than information under the subcaption "– Compliance with Prior Agreements"), "LEGAL MATTERS", "TAX MATTERS" and "LEGAL INVESTMENTS IN TEXAS" and in APPENDIX C and APPENDIX D and such firm is of the opinion that the information contained under such captions and in such Appendices is a fair and accurate summary of the information purported to be shown therein and is correct as to matters of law. The payment of legal fees to Bond Counsel shall occur upon the sale and delivery of the Bonds. In connection with the transactions described in this Official Statement, Bond Counsel represents only the Board. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item for individuals under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds (see "APPENDIX D – FORM OF BOND COUNSEL OPINION").

In rendering its opinion, Bond Counsel will rely upon (a) the Board's federal tax certificate and (b) covenants of the Board with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the Board to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to

the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the Board with the covenants and the requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Board with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Board that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Board as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX

TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporations' "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa3" to the Bonds. An explanation of the significance of the rating may be obtained from Moody's.

The rating reflects only the views of Moody's at the time such rating is given, and the Board makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Any such downward revision or withdrawal by Moody's may have an adverse effect on the price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

LEGAL INVESTMENTS IN TEXAS

The Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries and trustees, and for the sinking funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. The Bonds are eligible to secure deposits of public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. The Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) provides that a city, county, or school district may invest in the Bonds provided that Bonds have received a rating of not less than "A" from a nationally recognized investment rating firm. No investigation has been made of other laws, regulations, or investment criteria which might limit the ability of such institutions or entities to invest in the Bonds, or which might limit the suitability of the Bonds to secure the funds of such entities. No review by the Board has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

UNDERWRITING

The Underwriters have agreed, subject to certain customary conditions to delivery, to purchase the Bonds from the Board at a price equal to \$ _____, which is equal to the principal amount of the Bonds, plus/less a net original issue premium/discount of \$ _____ and less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters of the Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the TWU System for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the TWU System.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of the PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has/may have other banking and financial relationships with the TWU System. PNC Capital Markets LLC may offer to sell to its affiliate, PNC Wealth Management LLC ("PNCWM"), securities in PNCCM's inventory for resale to PNCWM's customers, including securities such as those to be offered by the TWU System. PNCCM may share with PNCWM a portion of the fee or commission paid to PNCCM if any Bonds are sold to customers of PNCWM.

MUNICIPAL ADVISOR

RBC Capital Markets, LLC ("RBCCM") is engaged as Municipal Advisor to the Board in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBCCM, in its capacity as Municipal Advisor, is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement. Additionally, RBCCM, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds or the possible impact on the Bonds of any present, pending or future actions taken by any legislature or judicial bodies.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC, a firm of independent certified public accountants, will deliver to the Board, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

Robert Thomas CPA, LLC, relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the Board. In addition, Robert Thomas CPA, LLC, has relied on any information provided to it by the Board's retained advisors, consultants or legal counsel. Robert Thomas CPA, LLC was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

The verification report will be relied upon by Bond Counsel in rendering its opinion with respect to the defeasance of the Refunded Bonds.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Board, that are not purely historical, are forward-looking statements, including statements regarding the Board’s expectations, hopes, and intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. The Board’s actual results could differ materially from those discussed in such forward-looking statements (see “APPENDIX A – DESCRIPTION OF THE TWU SYSTEM”).

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and therefore, there can be no assurance that the forward-looking statements in this Official Statement will prove to be accurate.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from the Board’s records, annual financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Seventeenth Supplemental Resolution authorizing the issuance of the Bonds also approved the form and content of this Official Statement, and authorized the undersigned to approve any addenda, supplement, or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Underwriters.

/s/ _____
Chair and Presiding Officer
Board of Regents of Texas Woman’s University System

APPENDIX A
DESCRIPTION OF THE TWU SYSTEM

DESCRIPTION OF THE TWU SYSTEM

Background and History

In 1901, the Texas Legislature created the Texas State College for Women as a State-supported institution of higher learning. In May 1957, the name of the institution was changed from Texas State College for Women to Texas Woman's University. In May 2021, the Governor signed into law legislation that established the Texas Woman's University System as the seventh public university system in the State. As the TWU System is still within its formative phase, it is solely funded via state appropriation. The TWU System is utilizing this funding to centralize operations for the TWU System that are currently handled by its component institution, Texas Woman's University ("TWU" or the "University"), and to implement the strategic goals of the entire system by elevating the T. Boone Pickens Institute of Health Sciences - Dallas Center ("TWU-Dallas") and the TWU Institute of Health Sciences – Houston Center ("TWU-Houston") into accredited and independent component institutions. As each of the campuses grow and develop, there will be on-going need for additional strategic support and investment.

The TWU System is a public doctoral university system offering baccalaureate, master's, and doctoral degrees, as well as certificate programs, through the five colleges of the University: Arts & Sciences, Health Sciences, Nursing, Professional Education, and the Merilee Kick College of Business and Entrepreneurship and is the nation's largest higher education institution primarily serving women. TWU had enrollment of some 15,505 students in fall 2025. With the main campus located in Denton ("TWU-Denton") and the two health science centers in Dallas and Houston, the TWU System serves not only the north central region, but also the entire State. TWU-Dallas is located in the Southwestern Medical District and offers academic programs in a variety of health science fields. TWU-Houston is located in the world-renowned Texas Medical Center and provides a rich setting for nursing and health sciences students.

TWU builds on its long tradition as a public institution primarily, but not exclusively (see TABLE A-2 below), serving women by educating a diverse community of students to lead personally and professionally fulfilling lives. TWU as a recognized leader in health care education produces 51% of all allied health doctoral degrees awarded by Texas public universities and ranks among the state's very best: No. 1 in Occupational Therapy, No. 2 in Physical Therapy, and No. 2 in Health Administration, according to U.S. News & World Report. While known for a long history in the health care professions, TWU has added aviation to its science, technology, engineering, and math (STEM) offerings, as part of an ambitious goal to double STEM opportunities by 2028.

TWU-Denton Campus

The rolling, wooded, 257-acre main campus of TWU-Denton is located approximately 35 miles north of the Dallas-Fort Worth metropolitan area in the City of Denton, county seat of Denton County. The City of Denton has an estimated population of 155,374. The TWU-Denton campus includes over 75 physical structures, with over 2.6 million gross square feet. These facilities have a broad composition of instructional, research and classroom buildings, a modern library, approximately 2,500 beds in multiple residence halls, a new student union, and various other student and administrative support buildings, including a 17-story Administration/Conference Center, a Fitness and Recreation Center, indoor swimming pool, hard-surfaced tennis courts, basketball courts, intramural fields, and wonderful walking paths across the beautiful campus. The Board approved a new master plan in 2018 that provides a framework to incorporate 106 acres of greenspace into developmental opportunities for TWU-Denton. TWU-Denton is currently home to the TWU System offices, the College of Nursing, the College of Health Sciences, the College of Arts and Sciences, the Merilee Alexander Kick College of Business and Entrepreneurship, the College of Professional Education, and the Graduate School.

TWU-Houston Center

TWU-Houston opened in 2006 at the southern gateway to the Texas Medical Center. The TWU-Houston center is a 10-story, 202,000 square-foot campus housed in a single building. Built as a "Green Building," the utility costs of the facility are approximately 40% less than the campus it replaced in Houston. TWU-Houston Center offers clinical and educational opportunities for students in nursing, occupational therapy, physical therapy, health care administration, business, and nutrition and food sciences. Facilities at TWU-Houston include research laboratories, anatomy and nursing laboratories, a counseling center, a learning resource center, and computer services. Students in Houston do clinical work at various locations including the Veteran's Administration Hospital, the City of Houston Health Department, the Methodist Hospital, the Texas Children's Hospital, the Texas Institute of Rehabilitation and Research, the Texas Institute for Mental Sciences, and the University of Texas M.D. Anderson Cancer Center.

TWU-Dallas Center

TWU-Dallas opened in February 2011, combining the University's Parkland and Presbyterian sites into an eight-story, 190,000-square-foot building in the heart of the Dallas Southwestern Medical District. The TWU-Dallas center accommodates the specialized needs of the College of Nursing, TWU Stroke Center, Physical Therapy, Occupational Therapy, Health Care Administration and various business programs. Students in the health sciences fields at TWU-Dallas perform clinical work at various locations including Parkland Memorial Hospital, Veteran's Administration Hospital, Texas Health Resources Hospitals and Outpatient centers, UT Southwestern University Hospitals, Medical City Dallas, Methodist Health System Hospitals, Baylor Scott and White Hospitals and Outpatient centers, Children's Medical Center, St. Paul Hospital, and Presbyterian Village. TWU-Dallas is built to LEED (Leadership in Energy and Environmental Design) Gold Certification standards in keeping with the TWU System's goal of reducing its carbon

footprint. The facility includes a 600-space parking garage, which will support two additional levels that can be used either for additional parking or classroom expansion in the future.

Coordinating Board

The TWU System is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the “Coordinating Board”). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State’s higher education systems, institutions and governing boards. The Coordinating Board is the highest authority in the State in matters of public higher education and prescribes the scope and role of each institution of higher education. The Coordinating Board periodically reviews all degree and certificate programs offered by the State’s institutions of higher education and annually reviews the academic courses offered by such institutions. The Coordinating Board also recommends to the Texas Legislature, through an advisory committee comprised of representatives from effected institutions of higher education, space utilization formulas designed to promote the efficient use of construction funds and the development of physical plants to meet projected growth estimates. These space utilization formulas directly impact the allocation of appropriated funds among the State’s institutions of higher education.

Governance and Administration

The TWU System is governed, managed, and controlled by a nine-member Board of Regents, each of whom is appointed by the Governor of the State subject to confirmation by the State Senate. A minimum of four of the nine members must be women. Each regent serves a six-year term, with three new appointments made to the Board every two years. Regents continue to serve after the expiration of their stated term until reappointed or a successor is appointed to replace the regent. The members of the Board elect one of the regents to serve as Chair of the Board and may elect any other officers they deem necessary. The Regents serve without pay except for a per diem payment as provided by the State of Texas and reimbursement for travel expenses incurred in the performance of their duties. There is a student regent who is a currently attending TWU student who serves as an ex-officio member of the Board. The State does not allow a student regent to vote on matters before the Board.

The Board is legally responsible for the general control and management of the component institutions of the TWU System and has authority to promulgate and enforce such rules, regulations, and orders as it deems necessary for the operation, control and management of the TWU System. The Board appoints a Chancellor and President for TWU who directs the operations of the University and is responsible for carrying out policies determined by the Board.

A list of the current members of the Board and certain principal administrative officers of the TWU System appears on page iii of this Official Statement.

Enrollment

Set forth below is the fall semester headcount undergraduate and graduate enrollment within the TWU System for each of the last five academic years:

TABLE A-1
System-wide Headcount Enrollment

<u>Enrollment Type</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
Undergraduate	10,290	10,153	10,260	10,039	9,970
Graduate	6,048	5,805	5,404	5,322	5,535
Total	16,338	15,958	15,664	15,361	15,505

Set forth below is the breakdown of headcount enrollment as to men and women within the TWU System for each of the last five academic years:

TABLE A-2
System-wide Breakdown of Men and Women Enrollment

<u>Gender</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
Male	1,838	1,806	1,902	1,704	1,661
Female	14,500	14,152	13,762	13,657	13,844
Total	16,338	15,958	15,664	15,361	15,505

Set forth below is the fall semester full-time equivalent enrollment within the TWU System for each of the last five academic years:

TABLE A-3
System-wide Full-Time Equivalent Enrollment Information

<u>Enrollment Type</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
Undergraduate	8,809	8,529	8,458	8,488	8,647
Graduate	4,297	4,451	4,205	4,358	4,555
Total	13,106	12,980	12,663	12,846	13,202

The following table sets forth, by percentage, a breakdown of the TWU System’s enrollment by residency classification for each of the last five academic years:

TABLE A-4
System-wide Percentage Enrollment by Residency

<u>Resident Type</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
Texas Residents	93.40%	93.80%	94.40%	95.22%	95.06%
Non-Texas U.S Residents	4.40%	4.50%	4.30%	3.27%	3.11%
Foreign Students	2.20%	1.70%	1.30%	1.51%	1.83%
Total	100.00%	100.0%	100.0%	100.0%	100.0%

Admissions and Matriculation

Set forth below is information relating to admissions and matriculation for the TWU System for each of the last five academic years:

TABLE A-5
System-wide Undergraduate Admissions and Matriculation Information

<u>Undergraduate Admission</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
Applications Submitted	10,464	10,455	10,790	11,466	10,464
Applications Accepted	8,007	9,785	10,332	11,057	10,104
Percentage Accepted	76.5%	93.6%	95.8%	96.4%	96.6%
Matriculation	2,336	3,232	3,914	3,451	3,136
Percentage Matriculated	29.2%	33.0%	37.9%	31.2%	31.0%

System-wide Graduate Admissions and Matriculation Information

<u>Graduate Admission</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
Applications Submitted	3,949	2,700	2,553	3,048	3,096
Applications Accepted	1,724	1,414	1,369	1,671	1,640
Percentage Accepted	43.7%	52.4%	53.6%	53.1%	53.0%
Matriculation	1,212	1,038	917	1,070	1,073
Percentage Matriculated	70.3%	73.4%	67.0%	66.2%	65.4%

Degrees

Set forth below is a listing of the degrees awarded by the TWU System during each of the last five academic years:

TABLE A-6
Degrees Awarded

Degrees	Academic Years				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Baccalaureate	2,271	2,231	2,095	2,114	2,049
Master's	1,669	1,733	1,830	1,669	1,636
Doctoral	211	209	354	333	321
Total	<u>4,151</u>	<u>4,173</u>	<u>4,279</u>	<u>4,146</u>	<u>4,006</u>

Faculty and Employees

As of January 1, 2026, the TWU System employed 1,521 full-time employees, comprised of 511 faculty and 1,010 administration and staff. These numbers do not include part-time employees, adjunct instructors, graduate assistants, student employees or temporary staff.

Accreditation

The TWU System is fully accredited by its regional accrediting body, the Southern Association of Colleges and Schools, and the Graduate School is a member of the Council of Graduate Schools in the United States. Various colleges and departments of the TWU System are accredited with their respective professional associations.

State of Texas Annual Comprehensive Financial Report (ACRF)

The fiscal year of the State and the TWU System begins on September 1 of each year. Annually, not later than November 20, an unaudited financial report dated as of August 31, prepared from the books of the TWU System, must be delivered to the Governor, the State Comptroller of Public Accounts, State Auditor's Office, Legislative Budget Board, Legislative Reference Library, Texas State Library and the Texas Higher Education Coordinating Board. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the TWU System, and in so doing examines the financial records of each Participant in the TWU System. No outside audit in support of this detailed review is required or obtained by the TWU System.

The State issues an audited financial statement, prepared in accordance with generally accepted accounting principles for the entirety of the State government. The statement is prepared by the Comptroller of Public Accounts and is audited by the State Auditor's Office. The State Auditor expresses an opinion on the financial statements of the State but does not express an opinion on the financial statements of individual component units, including those of the TWU System. The scope of the State Auditor's audit includes tests for compliance with the covenants of general obligation and revenue bond issues of the State and its component agencies and institutions. Supplementary schedules are included in the State financial statement providing, for each bond issue, information related to the pledged revenues and expenditures, coverage of debt service requirements, restricted account balances, and/or other relevant information that may be feasibly incorporated. The State Auditor does not express an opinion on such schedules in relation to the basic financial statements taken as a whole.

APPENDIX B to this Official Statement contains excerpts from the unaudited combined Annual Financial Report for the TWU System for fiscal year ended August 31, 2025. The final report of the State Auditor is normally available in April of each year following the prior fiscal year. Any material compliance exceptions related to bond covenants are addressed in the overall management letter for the State audit.

TWU System Financial Statements

The TWU System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The TWU System, as a component reporting unit of the State, must show that its financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the University in maintaining accounts and in the preparation of the combined primary financial reports are in accordance with the 'Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements. Historically, these requirements follow, as near as practicable, the AICPA Industry Audit Guide *Audits of Colleges and Universities, 1996*, as amended by *AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities*, and as modified by applicable Financial Accounting Standards Board (FASB) pronouncements issued through November 30, 1989, and as modified by all applicable Governmental Accounting Standards Board (GASB) pronouncements cited in Codification Section CO5, Colleges and Universities. The requirements were also in substantial

conformity with the Financial Accounting and Reporting Manual for Higher Education published by the National Association of College and University Business Officers (“NACUBO”).

Attached to this Official Statement as “APPENDIX B – EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN’S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025,” are the most recent primary statements of the unaudited annual financial reports of the TWU System for fiscal year ended August 31, 2025. The TWU System’s primary financial statements consist of the Statement of Net Positions as of August 31, 2025, the Statement of Revenues, Expenses and Changes in Net Positions for the Year Ended August 31, 2025, and the Statement of Cash Flows for the Year Ended August 31, 2025 (see “APPENDIX B – EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN’S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025”).”

The following table reflects the unaudited Condensed Statement of Net Position for the TWU System for the fiscal years ended August 31, 2021 through August 31, 2025.

Condensed Combined Statement of Net Position

	<u>8/31/2021</u>	<u>8/31/2022</u>	<u>8/31/2023</u>	<u>8/31/2024</u>	<u>8/31/2025</u>
Assets:					
Current Assets	\$317,542,260	\$414,903,818	\$ 513,782,992	\$ 506,464,043	\$ 432,776,307
Non-Current Assets	<u>547,671,436</u>	<u>495,447,515</u>	<u>576,703,888</u>	<u>637,802,726</u>	<u>759,596,535</u>
Total Assets	<u>\$865,213,696</u>	<u>\$910,351,333</u>	<u>\$1,090,486,881</u>	<u>\$1,144,266,769</u>	<u>\$1,192,372,842</u>
Deferred Outflow of Resources:	<u>\$ 83,191,205</u>	<u>\$ 57,827,451</u>	<u>\$ 37,283,759</u>	<u>\$ 23,221,765</u>	<u>\$ 16,311,083</u>
Total Assets & Deferred Outflow of Resources:	<u>\$948,404,901</u>	<u>\$968,178,784</u>	<u>\$1,127,770,639</u>	<u>\$1,167,488,534</u>	<u>\$1,208,683,925</u>
Liabilities:					
Current Liabilities	\$109,594,983	\$128,408,698	\$ 135,904,420	\$ 142,830,188	\$ 152,291,818
Non-Current Liabilities	<u>295,016,939</u>	<u>321,086,762</u>	<u>390,452,679</u>	<u>375,109,394</u>	<u>350,291,835</u>
Total Liabilities	<u>\$404,611,922</u>	<u>\$449,495,460</u>	<u>\$ 526,357,099</u>	<u>\$ 517,939,582</u>	<u>\$502,583,653</u>
Deferred Inflow of Resources:	<u>\$ 47,506,764</u>	<u>\$ 47,199,375</u>	<u>\$ 107,026,090</u>	<u>\$ 99,915,495</u>	<u>\$ 93,604,537</u>
Total Liabilities & Deferred Inflow of Resources:	<u>\$452,118,686</u>	<u>\$496,694,834</u>	<u>\$ 633,383,189</u>	<u>\$ 617,855,077</u>	<u>\$ 596,188,190</u>
Net Position:					
Invested in Capital Assets	\$155,391,342	\$106,972,082	\$ 34,567,125	\$ 84,985,060	\$ 206,239,966
Restricted for:					
Debt Retirement	23,540	2,992	--	--	
Capital Projects	89,530,991	147,744,394	240,473,768	196,890,980	108,677,770
Other Restricted	48,014,189	55,066,379	57,041,264	50,824,818	34,330,011
Permanent Investments/Endowment	19,716,969	16,714,490	17,034,540	18,507,960	18,747,535
Unrestricted	<u>183,609,184</u>	<u>144,983,613</u>	<u>145,270,753</u>	<u>198,424,638</u>	<u>244,500,453</u>
Total Net Position	<u>\$496,286,215</u>	<u>\$968,178,784</u>	<u>\$ 494,387,450</u>	<u>\$ 549,633,457</u>	<u>\$ 612,495,735</u>
Total Liabilities and Net Position	<u>\$948,404,901</u>	<u>\$968,178,784</u>	<u>\$1,127,770,639</u>	<u>\$1,167,488,534</u>	<u>\$1,208,683,925</u>

For more detailed information, see “APPENDIX B - EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN’S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025.”

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The table below presents the unaudited Condensed Statement of Revenues, Expenses and Changes in Net Position of the TWU System for the fiscal years ended August 31, 2021 through August 31, 2025.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	<u>8/31/2021</u>	<u>8/31/2022</u>	<u>8/31/2023</u>	<u>8/31/2024</u>	<u>8/31/2025</u>
Operating Revenues	\$122,201,726	\$114,798,587	\$130,036,944	\$127,250,231	\$141,715,135
Operating Expenses	<u>233,763,233</u>	<u>244,309,514</u>	<u>270,345,505</u>	<u>273,200,314</u>	<u>273,345,993</u>
Operating Income (Loss)	(\$111,561,507)	(\$129,510,927)	(\$140,308,561)	(\$145,950,083)	(\$131,630,858)
Non-Operating Revenues (Expenses)	<u>\$146,371,725</u>	<u>\$ 89,936,902</u>	<u>\$148,976,236</u>	<u>\$184,368,608</u>	<u>\$178,679,281</u>
Income (Loss) before Other Revenues, Expenses, Gains, Losses & Transfers	\$ 34,810,218	(\$39,574,025)	\$ 8,667,675	\$ 38,418,525	\$ 47,048,423
Other Revenues, Expenses, Gains, Losses & Transfers	<u>\$ 14,886,679</u>	<u>\$ 14,857,755</u>	<u>\$ 14,850,074</u>	<u>\$ 16,398,970</u>	<u>\$ 16,256,555</u>
Change in Net Position	\$ 49,696,897	(\$ 24,716,270)	\$ 23,517,750	\$ 54,817,495	\$ 63,304,978
Net Position, Beginning of Year	\$447,624,307	\$496,286,215	\$471,483,949	\$494,387,450	\$549,633,457
Restatements	<u>(1,034,989)</u>	<u>(85,999)</u>	<u>(614,249)</u>	<u>428,512</u>	<u>(442,699)</u>
Beginning Net Position, Restated	\$446,589,318	\$496,200,219	\$470,869,700	\$494,815,962	\$549,190,758
Net Position, End of Year	\$496,286,215	\$471,483,949	\$494,387,450	\$549,633,457	\$612,495,736

For more detailed information, see "APPENDIX B – EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN'S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025."

The table below presents the unaudited Condensed Statement of Cash Flows of the TWU System for the fiscal years ended August 31, 2021 through 2025.

Condensed Statement of Cash Flows

	<u>8/31/2021</u>	<u>8/31/2022</u>	<u>8/31/2023</u>	<u>8/31/2024</u>	<u>8/31/2025</u>
Cash Provided (Used) by:					
Operating Activities	(\$ 71,787,717)	(\$114,722,744)	(\$94,559,568)	(\$98,563,131)	(\$ 51,684,265)
Noncapital Financing Activities	108,451,309	147,987,469	141,213,623	162,580,705	165,146,807
Capital and Related Financing Activities	(4,424,790)	18,189,423	36,843,671	(82,231,414)	(148,972,877)
Investing Activities	<u>(29,101,002)</u>	<u>(46,629,380)</u>	<u>(83,213,042)</u>	<u>27,157,103</u>	<u>36,652,714</u>
Net Change in Cash	\$ 3,137,800	\$ 5,529,557	\$ 284,684	\$ 8,943,265	\$ 1,142,379
Cash, Beginning of Year	\$ 17,177,627	\$ 20,315,427	\$ 25,844,984	\$26,129,668	\$ 35,072,931
Restatements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash, End of Year	<u>\$ 20,315,427</u>	<u>\$ 25,844,984</u>	<u>\$26,129,668</u>	<u>\$35,072,933</u>	<u>\$36,215,310</u>

For more detailed information, see "APPENDIX B – EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN'S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025."

Funding for the TWU System

Funding for the TWU System and its component institutions the fiscal year ended August 31, 2025 consisted of State appropriations; tuition and student fees; gifts, grants, and scholarships; sales, services, and other sources; designated funds; and auxiliary enterprises. As shown below, the amounts and the sources of such funding vary from year to year. There is no guarantee that the source or amounts of such funding will remain the same in future years.

TWU Institutional Revenue

Each Texas public university granting degrees charges tuition and fees as set by the Texas Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Tuition charges are comprised of “State Mandated Tuition,” “Board Designated Tuition” and “Board Authorized Tuition,” as further described below.

State Mandated Tuition... Section 54.0512 of the Texas Education Code requires (i) undergraduate tuition applicable to State residents to be charged at \$50 per semester credit hour; and (ii) tuition of nonresident students at a general academic teaching institution or medical and dental unit to be an amount per semester credit hour equal to the average of the nonresident undergraduate tuition charged to a resident of the State at a public state university in each of the five most populous states other than the State (the amount of which would be computed by the Coordinating Board for each academic year). For the 2025-2026 academic year, the Coordinating Board has computed \$455 per semester credit hour for nonresident undergraduate tuition.

*Board Designated Tuition...*In 2003, the Texas Legislature approved, and the Governor signed into law House Bill 3015, which provided for the deregulation of a portion of tuition that a governing board of an institution of higher education, such as the Board, has the authority to charge under Section 54.0513 of the Texas Education Code. Prior to the amendment to Section 54.0513, Texas Education Code, the amount of tuition that a board of regents could independently charge students was capped at the levels described above with respect to State Mandated Tuition. Effective with the tuition that was charged for the fall 2003 semester, a governing board may charge any student an amount (referred to herein as “Board Designated Tuition”) that it considers necessary for the effective operation of the institution. Such legislation also granted authority to the governing board to set a different tuition rate for each program and course level offered by the institution. This authority offers more opportunity for the Board to develop a tuition schedule that assists in meeting the strategic objectives of the TWU System in terms of access, affordability, effective use of campus resources, and improvement of graduation rates. The Board must authorize any changes in Board Designated Tuition only after they have been thoroughly evaluated by the TWU System Chancellor and administration. The Board authorized the Board Designated Tuition rate for the 2025-26 academic year at \$188.00 per semester credit hour for all students. No less than 15% of the Board Designated Tuition charged in excess of \$46 per semester hour shall be set aside to provide financial assistance to resident undergraduate students, consistent with the provisions of Subchapter B, Chapter 56, Texas Education Code. In connection with the authorization of Board Designated Tuition, building use fees, which were historically included in general fees under the Master Resolution, were rededicated as Board Designated Tuition. This rededication does not impact the pledge of Revenue Funds for the payment and security of Parity Obligations. Both the State Mandated Tuition and the Board Designated Tuition are included in Revenue Funds and are pledged for the benefit of Parity Obligations.

As required by Section 54.017 of the Texas Education Code, undergraduate students have the opportunity to participate in a fixed tuition price plan, giving students the choice between a variable one-year optional rate and a four-year guaranteed rate.

On November 13, 2024, the Governor distributed a letter to the governing boards of institutions of higher education, including the Board, directing that no institution in the State should approve tuition increases for 2025-26 and 2026- 27 academic school years.

The TWU System has no assurance that the Texas Legislature will not place future limits on the Board’s ability to charge Board Designated Tuition in an amount that it considers necessary for the effective operation of its campuses. However, Section 55.16 of the Texas Education Code specifically allows the Board to levy and collect any necessary fees, tuition, rentals, rates, or other charges necessary to provide funds sufficient for the payment of outstanding Parity Obligations.

*Board Authorized Tuition...*Section 54.008 of the Texas Education Code permits the governing board of each institution of higher education to set tuition for graduate programs for that institution at a rate that is at least equal to that of the State Mandated Tuition, but that is not more than twice that rate. Between the maximum and minimum rates, the Board may set the differential tuition among programs offered by an institution of higher education. For the 2025-26 academic year, the Board has set \$85 per semester credit hour as the Board Authorized Tuition for graduate programs.

*Mandatory Fees...*Mandatory fees are comprised of charges for certain activities and services utilized by all students and include, but are not limited to, the Student Center Fee, the Medical Services Fee and the Fitness & Recreation Fee. Fee amounts are computed either on a per semester credit hour basis or on a per semester basis. In addition, certain departments are permitted to charge additional fees for students participating in certain areas of study.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, Mandatory Fees, and the amount set aside for financial assistance for students, as required by law, for the 2025 fall session. The table assumes a full-time undergraduate is taking 15 semester credit hours and a full-time graduate or doctoral student is taking nine semester credit hours.

**State Mandated Tuition, Board Designated Tuition,
Board Authorized Tuition, Mandatory Fees, and Financial Set-Aside
2025-2026 Academic Year**

<u>2025-2026 Academic Year</u>	<u>State Mandated Tuition</u>	<u>Board Designated Tuition</u>	<u>Board Authorized Tuition</u>	<u>Mandatory Fees</u>	<u>Total Tuition and Fees</u>	<u>Financial Assistance Set-Aside⁽¹⁾</u>
Resident Undergraduate	\$750.00	\$2,820.00	--	\$1,869.00	\$5,439.00	\$538.50
Non-Resident Undergraduate	6,825.00	2,820.00	--	1,869.00	11,514.00	204.75
Resident Masters	\$450.00	\$1,692.00	\$765.00	\$1,488.00	\$4,395.00	\$373.95
Non-Resident Masters	4,095.00	1,692.00	765.00	1,488.00	8,040.00	122.85
Resident Doctoral	\$450.00	\$1,692.00	\$765.00	\$1,488.00	\$4,395.00	\$373.95
Non-Resident Doctoral	4,095.00	1,692.00	765.00	1,488.00	8,040.00	122.85

⁽¹⁾ Total tuition and fees include amounts required to be set aside for financial assistance in accordance with Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); from Board Designated Tuition no less than 15% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012). Although the Legislature has reduced the required set-aside percentage, the TWU System elected to continue funding the set-aside at a rate of 20% for undergraduate students for fiscal year 2026. This set-aside calculation will be reviewed by the TWU System annually as part of the annual budget process.

Any future changes in tuition or fees will be implemented only after thorough consultation and review by the Chancellor and President of the TWU System and approval by the Board of Regents.

*Gifts, Grants, and Contracts...*The TWU System receives federal, state, local and private grants and research contracts, which incorporate an overhead component for use in defraying operating expenses. This overhead component is treated as unrestricted current funds revenues while the balance of the grant or contract is treated as restricted current funds revenues. Indirect cost recovery rates used in calculating the overhead component are negotiated periodically with the appropriate governmental agency.

Additionally, the TWU Foundation (the "TWU Foundation"), a non-profit corporation chartered under the laws of Texas, was established in 1952. Its purpose is to receive and administer gifts to enhance educational excellence at the TWU System. The TWU Foundation Board of Directors seeks to identify potential sources of private gifts, to enable donors to make appropriate contributions that match their interests and needs, to provide an agency authorized to receive and administer donations of money or other gifts designated to increase the renown, extend the services, improve the facilities, or promote in any way the welfare of the TWU System. The TWU Foundation actively engages in advancement efforts for annual support, restricted support, endowment support and capital gifts to benefit the TWU System.

*Investment and Endowment Income...*Investment and endowment income is received on both a restricted and unrestricted basis.

*Sales and Services...*Other educational activities and auxiliary enterprises generate revenue from sales and services which is unrestricted.

*Other Interest Income...*The TWU System generates interest from the investment of cash pursuant to investment policies adopted by the Board in accordance with State law (see "-- Investment Policy and Procedures").

*Other Sources...*All miscellaneous revenues including rents, fees, fines, sales, and other receipts not categorized above have been grouped together as "other sources."

The Board is authorized by Chapter 55 of the Texas Education Code to set the Pledged Revenues and any other necessary fees, rentals, rates, or other revenue funds of the Board at the level necessary, without limit, to enable the Board to meet its obligations with respect to the payment of debt service on the Parity Obligations (see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION – Pledged Revenues").

State Appropriations

*General Revenue Appropriations...*The operations of the TWU System are heavily dependent upon the continued support of the State through biennial appropriations of general revenues.

For fiscal year 2026, Texas Woman’s University (including the TWU System) has a total operating budget of \$322.0 million. TWU expects a positive increase in current operating revenues of \$30 million, representing a 10.4% increase over fiscal year 2025. With the completion of the 89th Texas Legislative Session, TWU continues to benefit from positive growth in state support of 3.9% with increases in certain special items along with a substantial increase in Higher Education Funds (“HEF”) for campus investments and improvements. Designated funding is anticipated to grow 12.1% due to an increase in the University Services Fee coupled by steady enrollment overall along with strategic new program starts at the Denton campus. Auxiliary revenues will increase by 1.9%, limited by the continued high occupancy rates and student demand for on campus housing and dining services. Restricted funds will increase by 37.0% due to significant new and transformative gifts. Education and General (E&G) funding totals \$114.7 million, or 35.6%, of the operating revenue budget for fiscal year 2026. These funds include general revenue formula funding, non-formula and special items support, state paid employee benefits, HEF, and statutory tuition and fees collected by TWU. While formula funded operations support will decline somewhat by \$1.7M, special items such as the Frontiers Bridge Program, for students who have experienced foster care, and Women’s Health Research Center activities will increase \$1.6M and \$460k, respectively. Additionally, Education and General (E&G) space support will increase \$605k, and a substantial increase of \$4.5 million, or 30.3%, in HEF will provide much needed funding for campus renewal and improvements.

The TWU System has no assurance that the Texas Legislature will continue to appropriate to it the general revenue funds of the State at the same levels as in previous years. Future levels of State support are dependent upon the ability and willingness of the Texas Legislature to make appropriations to the TWU System taking into consideration the availability of financial resources and other potential uses of such resources. For financial information concerning the State, reference is made to the bond disclosure appendix (referred to as APPENDIX A) prepared by the Comptroller and published quarterly, which may be obtained (i) using the MSRB’s website, www.emma.msrb.org, by using the quick search function and entering the term “State of Texas Comptroller” and (ii) from the Comptroller’s website at: <http://www.comptroller.texas.gov/treasops/bondapp.html>.

Higher Education Fund Appropriations... In addition to the appropriation of general revenues of the State, TWU receives a portion of an annual appropriation of funds made by the Texas Legislature pursuant to the provisions of Article VII, Section 17 of the State Constitution authorizing HEF. The allocation of HEF is made by the State in accordance with an equitable allocation formula. The State Constitution also allows the Texas Legislature to adjust the decennial allocations every five years. In 2025, House Bill 42 (“HB 42”) was enacted by the 89th Legislature which increased the total HEF allocation to \$590.6 million for fiscal years 2026 through 2035 and seeks to modernize the HEF allocation formula, increase capital funding for non-Permanent University Fund (“PUF”) eligible public institutions, and expand the list of recipients for fiscal years 2026 through 2030. HB 42 also allows each governing board participating in the distribution of HEF funds as described in this section, in its sole discretion, to use the funds to pay principal and interest on bonds that were issued under Chapter 55 and the proceeds of which were spent for a purpose described in Section 17(a), article VII, Texas Constitution. The University may use the HEF allocation for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair, or rehabilitation of buildings or other permanent improvements and acquisition of capital equipment, library books, and library materials. Construction, improvements, and capital equipment purchases made from HEF funds may only be used for structures used jointly for educational and general activities and for auxiliary enterprises to the extent of their use for educational and general activities. In addition, the TWU System may issue bonds against such Higher Education Funds and pledge up to 50% of the appropriation to secure the debt service payment due on such bonds. The TWU System currently has no outstanding HEF bonds and presently has no intention of issuing bonds payable from HEF funding and does not currently use HEF funds to pay debt service on outstanding bonds.

The annual HEF allocation to the TWU System for fiscal year 2021 through fiscal year 2026 is set forth below:

Higher Education Fund Appropriations

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
TWU System	\$14,554,133	\$14,554,133	\$14,554,133	\$14,993,229	\$14,993,229	\$19,536,274

The HEF allocation to the TWU System is currently set at the \$19,536,274 level though fiscal year 2030.

Capital Construction Assistance Projects... Pursuant to Chapter 55, Texas Education Code, as amended (“Chapter 55”), revenue bonds issued by a university system, such as the TWU System, may be equally secured by and payable from a pledge of all or a portion of certain revenue funds of the TWU System. All of the Parity Obligations of the TWU System are secured solely by and payable solely from a pledge of and lien on the Pledged Revenues.

Historically, the Texas Legislature has appropriated from general revenue funds of the State an amount sufficient, during each biennium, to reimburse institutions of higher education for an amount equal to all or a portion of the debt service on revenue bonds issued to fund certain approved capital construction projects issued pursuant to specific statutory authorization for individual institutions and projects in Chapter 55. Senate Bill 52 (“SB 52”), enacted during the third special session of the 87th Texas Legislature in 2021, amended Chapter 55, designating funds allocated from the State appropriations to an institution of higher education to supplement revenue funds of the institution for such approved capital construction projects as Capital Construction Assistance Projects (“CCAPs”). Prior to the enactment of SB 52 in 2021, revenue bonds issued to fund such authorized capital construction projects were historically known as Tuition Revenue Bonds (“TRBs”).

The reimbursement of the payment of debt service on such revenue bonds issued to finance CCAPs does not constitute a debt of the State, and the State is not obligated to continue making any such appropriations in the future. Furthermore, the Texas Legislature is prohibited by the State Constitution from making any appropriations for a term longer than two years. Accordingly, the Texas Legislature’s appropriations for the reimbursement of debt service on such revenue bonds issued for CCAPs may be reduced or discontinued at any time after the current biennium, and the Texas Legislature is under no legal obligation to continue such appropriations in any future biennium. Certain of the Parity Obligations of the TWU System constitute revenue bonds issued for CCAPs. See footnote (2) in the table under “Outstanding Indebtedness” in the preliminary offering document for a description of which Parity Obligations of the TWU System constitute revenue bonds issued for CCAPs. Parity Obligations issued for CCAPs by the TWU System carry no additional pledge or security and constitute Parity Obligations of the TWU System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Obligations of the TWU System. The TWU System bears the risk of the State not appropriating funds to reimburse the TWU System for its monies used to pay debt service on such revenue bonds issued for CCAPs.

The Texas Legislature appropriated funds to reimburse the TWU System in prior years and in the budget for the 2026-27 biennium in amounts equal to all of the debt service on the TWU System’s revenue bonds issued for CCAPs, including those revenue bonds historically known at TRBs, see table below. The TWU System can provide no assurances with respect to any future appropriations by the Texas Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the Texas Legislature to make appropriations to the TWU System taking into consideration the availability of financial resources and other potential uses of such resources.

Set forth below is the annual appropriation to the TWU System for reimbursement of debt service for revenue bonds issued for CCAPs, including those revenue bonds historically known at TRBs, for fiscal year 2021 through fiscal year 2027:

Capital Construction Assistance Projects Appropriation

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
TWU System	\$6,239,775	\$6,240,025	\$14,559,824	\$13,593,400	\$13,231,025	\$13,237,525	\$13,236,150

Investment Policy and Procedures

Management of Investments

The Board has developed written policies (the “Investment Policy” and the “Endowment Investment and Distribution Policy”) regarding the investment of all TWU System Funds and funds held by the TWU System in trust for others. The Public Funds Investment Act of the State (Chapter 2256 of the Texas Government Code) requires the TWU System to adopt a written Investment Policy and strategy, review the policy and strategy not less than annually, appoint an investment officer, and adopt internal controls to safeguard the TWU System’s funds. See “– Endowment” below for a further discussion of the investment of endowment funds of the TWU System.

The Board delegates authority to the Vice President for Finance and Administration to manage the TWU System’s investment portfolio. The Vice President for Finance and Administration will appoint the investment officer for the TWU System and may acquire the services of an investment management firm. Each member of the Board and the investment officer(s) must attend required formal training sessions within six months of appointment or assumption of duties.

The Board shall receive, not less than quarterly, reports that describe investment activity and changes in market value of all investments. The Board shall review the annual compliance audit of management’s controls for investments and adherence to investment policy. The Board shall review, not less than annually, its Investment Policy and strategy. The investment officer in conjunction with the investment management firm must prepare and submit signed quarterly reports to the Board, the Chancellor and President, and the Vice President for Finance and Administration.

Investment Policy

It is the policy of the TWU System to invest its funds primarily in instruments that emphasize the safety of the capital as well as the expected return on the investment. Investment decisions are based on the overall investment strategy of the TWU System rather than the performance of any single investment instrument. The investment policy is governed by the following objectives:

The investment instruments provide a measure of safety that protects the original principal contribution. The primary aim of the investment is the avoidance of the loss of original investment.

The investment instruments provide the necessary liquidity to meet the TWU System’s daily operating and planned capital improvement needs, which might be reasonably anticipated.

The investment portfolio will be designed to provide an average yield equal to or greater than the yield on U. S. Treasury securities of comparable maturity to its maximum weighted average maturity. The objective is to maintain a reasonable rate of return on investments through budgetary and economic cycles in line with the TWU System’s investment risk constraints and cash flow needs.

Investment Strategy

The investment strategy includes a portfolio of funds designed to meet the short-term, intermediate-term and the long-term cash needs of the TWU System yielding a reasonable market return. Adequate diversification of the high credit quality investment instruments is necessary to preserve principal from unnecessary risk of loss. The marketability of investment instruments and staggered maturity dates ensure the liquidity of funds needed to meet the cash needs of the TWU System. This investment strategy applies to all fund groups. In order to meet these goals, the maximum weighted average maturity of the overall portfolio will not exceed five years.

Authorized Investments

TWU System funds, other than endowment funds, are invested in accordance with State law and the Investment Policy. State law provides that the funds may be invested subject only to the requirement that investments be made with the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

The Board has further provided in its Investment Policy that funds may only be invested in (a) obligations of the U.S. Government or its agencies with stated maturities of not more than ten years; (b) direct obligations of the State of Texas or its agencies with stated maturities of not more than ten years; (c) U.S. Government agency or instrumentality directly issued collateralized mortgage obligations, the underlying security for which is guaranteed by an agency or instrumentality of the United States, subject to certain exceptions set out in the Investment Policy; (d) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities with stated maturities of not more than ten years; (e) obligations of states, agencies, counties, cities, or other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent with stated maturities of not more than ten years; (f) non-negotiable fully guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund certificates of deposits of banks, savings banks, or a state or federal credit union if such institutions have its main office or a branch in the State of Texas meeting certain conditions set out in the Investment Policy; (g) fully collateralized repurchase agreements and reverse repurchase agreements meeting certain conditions set out in the Investment Policy; (h) banker's acceptances meeting certain conditions set out in the Investment Policy; (i) commercial paper meeting certain conditions set out in the Investment Policy; (j) money market funds meeting certain conditions set out in the Investment Policy; (k) mutual funds meeting certain conditions set out in the Investment Policy; (l) guaranteed investment contracts meeting certain conditions set out in the Investment Policy; (m) investment pools including public funds investment pools if the Board has authorized the investment in that particular pool by rule, order, or resolution; (n) cash management and fixed income funds sponsored by organizations exempt from federal income taxation under section 501(1)(f), Internal Revenue Code; or (o) corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

Entities such as the TWU System may enter into securities lending programs if (A) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (i) obligations that are described in clauses (a) through (e) above, (ii) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (iii) cash invested in obligations described in clauses (a) through (e) above, and clauses (i) through (k) above, or an authorized investment pool; (B) securities held as collateral under a loan are pledged to such investing entity, held in such investing entity's name and deposited at the time the investment is made with such investing entity or a third party designated such investing entity; (C) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (D) the agreement to lend securities has a term of one year or less.

The Board is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Diversification of Investments

Investments shall be diversified to minimize the risk of loss resulting from unauthorized concentration of assets in a specific maturity, specific issuer, or specific class of securities. On a book-value basis, no more than five percent of the portfolio can be invested in any one company and no more than twenty percent of the portfolio can be invested in any one industry, as defined by Standard and Poor's broad categories.

Internal Controls

The investment officer is responsible for all investment transactions undertaken and shall control access to investments through a system of controls that regulate the activities of subordinates. The investment officer may not establish procedures that abrogate any portion of this policy or the authorizing statute. No person may engage in an investment transaction for the University except as provided under the terms of this policy and the procedures established by the investment officer.

Authorized Financial Dealers and Institutions

Information on each broker/dealer with which the TWU System transacts business will be maintained by the TWU System or the investment manager. The investment officer may not engage in an investment transaction with a business organization unless a qualified representative of the business organization submits a written instrument stating that: (i) a qualified representative has received and reviewed the TWU System's investment policy and (ii) the business organization has implemented reasonable procedures and controls to preclude investment transactions conducted between the TWU System and organization that are not authorized by the TWU System's investment policy. The Board or the designated investment committee of the TWU System shall at least annually, review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the TWU System.

Security Procedures

All investment transactions must comply with the policies and procedures established in the Investment Policy. Cash is invested so that un-invested cash, which earns little or no interest, is minimized. A security purchased by the TWU System shall be delivered to the custodial bank selected by the TWU System. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book-entry procedure of the Federal Reserve Bank. Settlement of all investment transactions, except investment pools and mutual funds, must be on a delivery versus payment basis.

Amendment of Investment Policies and Procedures

The Board has the right to amend its policies and procedures relating to the management of investments, including the Investment Policy, at its discretion and at any time, subject to applicable State law.

Gifted Securities

Gifted securities are managed and safeguarded in their original form in accordance with the donor's written instructions. However, upon the partial or total disposition of the original investment, the proceeds are invested in accordance with the policies described above.

Management of Funds Held in the State Treasury

The Texas Education Code requires that the TWU System deposit into the State Treasury all funds except those derived from auxiliary enterprises and non-instructional services, agency funds, designated and restricted funds, endowment and other gift funds, and student loan funds. All such funds held in the State Treasury are administered by the Comptroller of Public Accounts of the State (the "Comptroller"). The Comptroller invests money in the State Treasury in authorized investments consistent with applicable law and the Texas State Treasury Investment Policy, dated August 1993. The Comptroller pools funds within the State Treasury for investment purposes and allocates investment earnings on pooled funds proportionately among the various State agencies whose funds are so pooled. Currently, most pooled funds are invested in the following instruments: repurchase agreements; reverse repurchase agreements; obligations of the United States and its agencies and instrumentalities; commercial paper having the highest credit rating; and fully collateralized deposits in authorized State depositories. All State Treasury investments are marked to market daily using an external financial service. The Comptroller, acting primarily through a special purpose trust company, also holds approximately 20 separate accounts outside the State Treasury. The largest such account is a local government investment pool, known as TexPool, which was established in 1989 as an investment alternative for local governments in the State. TexPool operates on a \$1 net asset value basis and allows same day or next day redemptions and deposits. Interest is allocated daily based on portfolio earnings and account balance. As of December 31, 2025, TexPool's portfolio had a weighted average maturity of 39 days with over 2,900 participants and total assets of approximately \$36.2 billion. TexPool Prime's portfolio had a weighted average maturity of 52 days with over 700 participants and total assets of approximately \$16.5 billion.

Investment of Bond Proceeds

Guaranteed investment contracts and investment funds managed by the State Comptroller are used as investment vehicles for bond proceeds.

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Current Investments

Set forth below is a description of the fair market value of the investments of the TWU System as of November 30, 2025 (unaudited):

TABLE A-7
Current Investments⁽¹⁾
(as of November 30, 2025)

<u>Investment Instrument</u>	<u>Market Value</u>
Texpool General Fund	\$153,247,724
LOGIC Operating	6,325,813
TexasRange General Fund	6,179,721
PNC Bank Money Markets	34,915,244
Long-term Investment Pool ⁽²⁾	250,265,752
TWU System Endowments ⁽²⁾	<u>18,485,774</u>
Total Investments	<u>\$469,420,028</u>

⁽¹⁾ This investment information is for the TWU System only and does not include information on the investments of the TWU Foundation. The TWU Foundation’s investments are managed by Luther King Capital Management. As of November 30, 2025, the market value of the Foundation’s assets (unaudited) was \$128,221,707.

⁽²⁾ The TWU System has contracted with the Texas A&M University System (the “TAMUS”) to invest its long-term cash holdings as permitted by Texas Education Code Section 51.0031, as amended. The TWU System’s long-term cash holdings are invested by TAMUS under the prudent person standard described in Article 7, Section 11b of the State Constitution.

Endowments

Although not pledged to the payment of debt obligations, the TWU System controls or is benefited by endowments consisting of securities and investments, land, and other real estate holdings and mineral rights. Such land, real estate, and mineral rights are valued at their book value as of the date of acquisition of such property. Each component of an endowment is subject to various restrictions as to application and use.

The TWU System’s long-term cash holdings and its endowment are invested by TAMUS. The TWU Foundation’s investments, including the endowed funds held by the TWU Foundation, are managed by Luther King Capital Management.

Set forth below is the value of the TWU System endowments and the TWU Foundation’s endowments as of the end of each fiscal year 2021 through 2025 as well as the latest monthly value:

TABLE A-8
Endowment Funds Summary⁽¹⁾⁽²⁾

<u>Endowment Funds</u>	<u>Fiscal Years Ending August 31,</u>					<u>Nov 30,</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>
TWU Endowments	\$ 19,735,650	\$ 16,774,434	\$ 16,818,605	\$ 18,045,459	\$ 18,280,101	\$ 18,485,774
TWU Foundation ⁽³⁾	<u>93,090,473</u>	<u>83,235,370</u>	<u>96,351,084</u>	<u>112,596,390</u>	<u>124,148,893</u>	<u>128,221,707</u>
Total	<u>\$112,826,123</u>	<u>\$100,009,804</u>	<u>\$113,169,689</u>	<u>\$130,641,849</u>	<u>\$142,428,994</u>	<u>\$146,707,481</u>

⁽¹⁾ Endowment funds may be invested in a broader class of permitted investments than other TWU System funds; and, therefore, such investments (which may include equities) may be subject to greater volatility than investments of other TWU System funds.

⁽²⁾ The global capital markets have experienced extreme volatility over the last few years. The Board cannot make any representation as to the future performance of the TWU System’s endowments, the TWU Foundation’s endowments or other invested funds.

⁽³⁾ The TWU System currently directs and coordinates all charitable gifts through the TWU Foundation. The endowment funds held by the TWU Foundation are managed separately from the endowment funds held by the TWU System.

Public Private Partnerships

The TWU System established a Public Private Partnership (the “P3 Project”) with the developer, BBCS Development, LLC, a wholly owned subsidiary of Balfour Beatty Campus Solutions, LLC, to develop and construct an 875-bed residential housing and dining facility complex on the TWU Denton campus. In 2018, New Hope Cultural Education Facilities Finance Corporation (the “Issuer”) on behalf of CHF-Collegiate Housing Denton, L.L.C. (the “Borrower”) issued four series of bonds: Capital Improvement Revenue Bonds, Series 2018A-1 (the “CIR 2018A-1 Bonds”) and Capital Improvement Revenue Bonds, Taxable Series 2018A-2 (the “CIR 2018A-2 Bonds”) to finance the residential portion of the P3 Project and Capital Improvement Revenue Bonds, Series 2018B-1 (the “CIR 2018B-1 Bonds”) and Capital Improvement Revenue Bonds, Taxable Series 2018B-2 (the “CIR 2018B-2 Bonds”) to finance the dining facility portion of the P3 Project. The TWU System is not obligated to pay debt service on the CIR 2018A-1 Bonds, the CIR 2018A-2 Bonds, the CIR 2018B-1 Bonds or the CIR 2018B-2 Bonds. However, the TWU System is obligated to make lease payments on an annual appropriation basis to the Borrower under the Lease Agreement associated with the CIR 2018B-1 Bonds and CIR 2018B-2 Bonds.

The P3 Project has been completed. The residential facility, Parliament Village, opened for the fall 2019 semester and consists of two four-story and one five-story residential buildings. Parliament Village offers double and private occupancy bedroom accommodations with bathrooms shared by residents of each floor. Other common area amenities include study lounges, multi-purpose meeting room, training room, fitness center, laundry facilities and reception areas. The 26,000 square foot Dining Hall opened in November 2019.

The following are the bonds that remain outstanding by the New Hope Cultural Education Facilities Finance Corporation on behalf of CHF-Collegiate Housing Denton, L.L.C. – Texas Woman’s University:

<u>CHF-Collegiate Housing Denton TWU Bonds</u>	<u>Outstanding Principal as of December 31, 2025</u>
CIR 2018A-1 Bonds (Housing)	\$69,225,000
CIR 2018B-1 Bonds (Dining)	<u>18,020,000</u>
Total	<u>\$87,245,000</u>

The Board may enter into additional public/private partnerships in the future. The private partners in these transactions may issue or incur debt to finance the construction, maintenance or improvement of such facilities. Any debt issued by private partners does not constitute an obligation of the Board, the TWU System or any of its component institutions.

Retirement Plans

The State of Texas has joint contributory retirement plans for substantially all its employees. One of the primary plans in which the TWU System participates is the Teacher Retirement System of Texas (“TRS Plan”). Teacher Retirement System is the administrator of the TRS Plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members’ average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers, and active employees for the fiscal years 2019 through 2024. In addition, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

The stipend was paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- One-time stipend of \$7,500 to eligible annuitants 75 years of age or older
- One-time stipend of \$2,400 to eligible annuitants age 70 to 74

The COLA, which needed (and received) voter approval, was applied to eligible annuitant payments beginning with the January 2024 payment. The COLA was based on retirement date:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013
- 6% COLA for eligible retirees who retired on or before August 31, 2001

During the measurement period of 2024 for fiscal 2025 reporting, the amount of the TWU System contributions recognized by the plan was \$3,862,077. The contribution rates are based on a percentage of the monthly gross compensation of each member. The contribution requirement for the State was 8.25% and for the members was 8.25% in the measurement period. At August 31, 2025, the TWU System reported a liability of \$41,862,815 for its proportionate share of the collective net pension liability. The collective

net pension liability was measured as of August 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The TWU System's proportion at August 31, 2025 was 0.068532994 percent which was a decrease from the 0.0705207658 percent measured at the prior measurement date. For the year ended August 31, 2025, the University recognized a pension expense of \$5,001,747.

The TRS does not separately account for each of its component government agencies, since the Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the Texas Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in the Retirement System's annual financial report (see https://www.trs.texas.gov/Pages/about_publications.aspx).

The State has also established an optional retirement program ("ORP") for institutions of higher education. For eligible individuals, participation in the ORP is elective in lieu of participation in the TRS. The ORP provides for the purchase of mutual fund and annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.6% from the ORP's appropriation and 1.9% from other funding sources. The 6.6% contribution is mandatory with the 1.9% State contribution being at the discretion of the board of each participating entity. TWU's Board of Regents has approved the additional contributions for employees of the University. The contributory percentages on salaries for participants entering the program after August 31, 1995 are 6.6% and 6.65% by the State and each participant, respectively. Since these are individual contracts, the State has no additional or unfunded liability for this program.

The contributions made by plan members and employers for the fiscal year ended August 31, 2025 were:

Year-Ended August 31, 2025

Member Contributions:	\$1,396,848.00
Employer Contributions:	<u>1,357,777.00</u>
Total:	\$2,754,625.00

See Note 9: Retirement Plans in "APPENDIX B – EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN'S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025."

Insurance

The University carries various insurance plans providing coverage in numerous areas. For details on each insurance plan, see Note 17: Risk Management in "APPENDIX B – EXCERPTS FROM THE ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN'S UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2025."

APPENDIX B

EXCERPTS FROM THE
ANNUAL FINANCIAL REPORT OF THE TEXAS WOMAN'S UNIVERSITY SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2025



Office of the Chancellor and President

TEXAS WOMAN'S
UNIVERSITY

EST 1901 | CO-ED 1994

November 20, 2025

Honorable Greg Abbott, Governor
Honorable Kelly Hancock, Acting Texas Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of Texas Woman's University System for the year ended August 31, 2025, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Ms. Melanie Ramirez at (940) 898-3534 or Mr. Paul Smith at (940) 898-3397. Ms. Barbara Newton may be contacted at (940) 898-3543 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in red ink, appearing to read 'Carine Feyten', with a long horizontal flourish extending to the right.

Carine M. Feyten, PhD
Chancellor and President



TEXAS WOMAN'S
UNIVERSITY SYSTEM

DENTON | DALLAS | HOUSTON

Texas Woman's University System

Organizational Data

August 31, 2025

OFFICERS

		Term Expires
Dr. Crystal Wright	Chair/Presiding Officer	2027
Ms. Ellen Amirkhan	Vice Chair/Assistant Presiding Officer	2027

MEMBERS

Ms. Stacie D. McDavid	Fort Worth, TX	2025
Mr. Bob Hyde	Irving, TX	2025
Ms. Mary P. Wilson	Austin, TX	2025
Ms. Janelle Shepard	Weatherford, TX	2027
Ms. Bernadette C. Coleman	Denton, TX	2029
Ms. Kathleen Wu	Dallas, TX	2029
<i>Vacant</i>		2029
Ms. Alyssa Flores (Student Regent)	Fort Worth, TX	2026

Terms for Regents Expire February 1st of stated year, except for the term of the Student Regent, which expires on May 31st.

UNIVERSITY FISCAL OFFICERS

Dr. Carine M. Feyten	Chancellor and President
Mr. Jason Tomlinson	Senior Vice President for Finance and Administration & CFOO
Ms. Melanie Ramirez	Associate Vice President for Financial Services
Mr. Paul Smith	Chief Accounting Officer and Controller

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Introduction

Texas Woman's University System (TWU System) was established by the Texas Legislature as the State's seventh university system in May 2021. TWU System is an agency of the State of Texas and is currently comprised of one academic institution funded by the Legislature: Texas Woman's University (TWU). Founded in 1901 and now the nation's largest university system with a woman-focused mission, Texas Woman's University has a significant impact on the State of Texas' health and vitality.

In addition to having an annual economic impact of more than \$1.84 billion in Texas, Texas Woman's University System is a significant contributor to the state's workforce, particularly in the health care and social assistance sectors. TWU System has pioneered graduating more new health care, special, and distance education professionals; expanded programs in health, education, and business; accelerated groundbreaking research; and has extended its reach by expanding programs at its campuses in Dallas and Houston.

Over the decades, TWU System developed a focus on research, health and well-being and built a quality and holistic reputation with an emphasis on women. This distinctive approach extends learning beyond the classroom to prepare students for careers, health, service, and leadership. TWU extended its mission in 1994 when it began admitting undergraduate men. In 2025, the university was designated as a Research 2: High Spending and Doctorate Production institution under the Carnegie Classification system. Additionally, for 10 consecutive years TWU has been recognized as a safe campus and military-friendly institution.

Texas Woman's University System excels at recognizing the unique contributions that women bring to all settings of the human experience. As such, TWU System launched the Jane Nelson Institute for Women's Leadership (JNIWL) to develop women leaders in business, politics, and public policy in 2018. JNIWL supports student leaders and serves as a resource for women leaders from the classroom to the boardroom.

Texas Woman's University has experienced historic enrollment growth, surpassing 16,000 students for the first time in 2020, coupled by remarkable stability and strength since the pandemic. More than half its undergraduate students are the first in their families to attend college and are Pell Grant eligible. TWU System has one of the lowest tuition costs among Texas universities and has been recognized as number one in the Dallas/Fort Worth area for graduates' earnings versus cost.

TWU System's distinct mission and operational focus will continue to underscore the historic purpose of cultivating engaged leaders, advancing the quality of the human experience, honoring unique perspectives, and pioneering discovery in areas vital to the well-being of Texans.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

The following tables summarize the fall semester headcount and full-time equivalent enrollment at TWU System for the last five academic years:

Headcount Enrollment Information					
	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025
Undergraduate	10,290	10,153	10,260	10,039	9,962
Graduate	6,048	5,805	5,404	5,322	5,461
Total	16,338	15,958	15,664	15,361	15,423

Full-Time Equivalent Enrollment Information					
	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025
Undergraduate	8,529	8,458	8,538	8,488	8,614
Graduate	4,451	4,205	3,957	3,971	3,838
Total	12,980	12,663	12,495	12,459	12,452

As part of the preparation of this financial report, consideration was given to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. For TWU System, no component units have been identified which should have been blended into appropriated funds, and no component units have been identified which should have been included in a discrete presentation in the financial report.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Financial Highlights and Overview of the Financial Statements

The objective of the Management's Discussion and Analysis (MD&A) is to provide an overview of Texas Woman's University System's financial position and activities for fiscal year ended August 31, 2025, with comparative data to fiscal year 2024. The emphasis of discussion is on the current year. The MD&A should be read in conjunction with the accompanying financial statements and notes. The primary financial statements presented are the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

The statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), the requirements of the Texas Comptroller of Public Accounts (CPA), and the guidelines from the National Association of College and University Business Officers (NACUBO).

As a component unit of the State of Texas government, TWU System's financial information is consolidated with other State agencies and institutions in the State's Annual Comprehensive Financial Report (ACFR). The financial reports of TWU System are considered for audit by the State Auditor's Office as part of the audit of the State's ACFR. Therefore, an opinion has not been expressed on the financial statements and related information in this report.

Financial Highlights

- \$7,243,100 net increase in gifts due to the University's capital gift campaign, which includes gifts to support the Merrilee Alexander Kick College of Business and Entrepreneurship, the Health Sciences Center in Denton, and additional donations for student scholarships.
- \$41,862,815 net pension liability is reported based on the TRS actuary report. Deferred outflows of resources totaling \$9,063,826 are related to the changes in pension assumptions, the difference between actual and expected experiences and current year TRS contributions. \$2,983,259 deferred inflow of resources is reported which reflects the difference between projected and actual investment returns.
- \$92,487,404 non-current liability for net postemployment benefits other than pension (OPEB), is reported along with a \$4,571,906 net OPEB current liability based upon the contributions from employer plus ERS Actuary Report recorded in the Plan's Fiduciary Net Position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Deferred outflows of resources in the amount of \$7,123,582 are related to the net difference between projected and actual investment return. A \$30,840,160 deferred inflow of resources is reported and reflects the difference between expected and actual experience and changes in assumptions.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Overview of the Financial Statements

Fund Structure

TWU System is an Enterprise Fund reported in the ACFR as a Proprietary Fund Type. Enterprise Funds are used to account for any activity in which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria are met:

1. The activity is financed with debt secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services, including capital costs, such as depreciation or debt service, be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Fiduciary Funds

TWU System implemented GASB Statement No. 84, Fiduciary Activities, in fiscal year 2020. The standard defines the criteria for identifying fiduciary activities of all State and local governments. The public private partnership housing agreement between Texas Woman's University and Collegiate Housing Foundation was deemed as fiduciary funds since the balance exceeded the State of Texas Comptroller's materiality threshold. As a requirement, basic financial statements related to the fiduciary funds are included.

Measurement Focus and Basis of Accounting

TWU System's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These statements are prepared by applying the following principles and standards:

- Reporting is on the full accrual basis of accounting. All current year revenues and expenses are recognized when earned or incurred, regardless of when the cash is received or disbursed.
- Depreciation and amortization expense on capital assets is reported as an operating expense on the Statement of Revenues, Expenses and Changes in Net Position. The historical cost of capital assets, net of accumulated depreciation and amortization, is reported on the Statement of Net Position.
- Revenues and expenses are categorized as operating or non-operating. Revenues from State appropriations, gifts and investment income are reported as non-operating revenue in accordance with GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Statement of Net Position

The Statement of Net Position presents a snapshot of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for TWU System at the end of the fiscal year. The Statement of Net Position assets and liabilities are presented in the current and noncurrent format which is discussed further in the notes to the financial statements.

Readers of the Statement of Net Position are able to determine the assets available to continue the operations of TWU System. They are also able to determine the amount TWU System owes to suppliers, investors, and lending institutions. Over time, increases or decreases in net position may be considered as one indicator of the improvement or decline of TWU System's financial health when considered alongside non-financial factors such as enrollment, research, public service and the condition of facilities. The statement provides a picture of net position and the availability of funds for use by TWU System.

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TEXAS WOMAN'S UNIVERSITY SYSTEM
Management's Discussion and Analysis
For the Year Ended August 31, 2025

The following table reflects the Condensed Comparative Statement of Net Position for TWU System as of August 31, 2025, and 2024, which increased \$62.9 million, or 11.44%, over the 2024 amount of \$549.6 million to \$612.5 million in 2025.

Condensed Comparative Statement of Net Position				
	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Increase (Decrease)</u>
Assets and Deferred Outflows of Resources				
Current Assets	\$ 432,776,307	\$ 506,464,042	\$ (73,687,735)	-14.55%
Capital Assets, Net	439,853,509	338,053,417	101,800,092	30.11%
Other Assets	319,743,026	299,749,310	19,993,716	6.67%
Deferred Outflows of Resources	16,311,083	23,221,765	(6,910,682)	-29.76%
Total Assets and Deferred Outflows of Resources	<u>\$ 1,208,683,925</u>	<u>\$ 1,167,488,534</u>	<u>\$ 41,195,391</u>	3.53%
Liabilities and Deferred Inflows of Resources				
Current Liabilities	\$ 152,291,818	\$ 142,830,188	\$ 9,461,630	6.62%
Non-Current Liabilities	350,291,835	375,109,394	(24,817,559)	-6.62%
Deferred Inflows of Resources	93,604,537	99,915,495	(6,310,958)	-6.32%
Total Liabilities and Deferred Inflows of Resources	<u>\$ 596,188,190</u>	<u>\$ 617,855,077</u>	<u>\$ (21,666,887)</u>	-3.51%
Net Position				
Net Investment in Capital Assets	\$ 206,239,966	\$ 84,985,060	\$ 121,254,906	142.68%
Restricted:				
Funds Held as Permanent Investments:				
Expendable	143,007,782	247,715,800	(104,708,018)	-42.27%
Non Expendable	18,747,535	18,507,960	239,575	1.29%
Total Restricted	161,755,317	266,223,760	(104,468,443)	-39.24%
Unrestricted	244,500,452	198,424,637	46,075,815	23.22%
Total Net Position	<u>\$ 612,495,735</u>	<u>\$ 549,633,457</u>	<u>\$ 62,862,278</u>	11.44%
Total Liabilities and Net Position	<u>\$ 1,208,683,925</u>	<u>\$ 1,167,488,534</u>	<u>\$ 41,195,391</u>	3.53%

Net Position is divided into three major categories. The first category, Net Investment in Capital Assets, which provides equity in property, plant, and equipment owned by TWU System less related debt.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Net Investment in Capital Assets increased \$121.3 million, or 142.68%, to \$206.2 million due to increase from asset capitalizations \$101.5 million, maturity of related debt \$19.5 million, reduction in current fiscal year depreciation expense \$392 thousand, and a decrease from retirement of assets with net book values \$40K thousand.

The second category, Restricted Net Position, is divided into two sub-categories, expendable and non-expendable. Expendable restricted resources are available for use by TWU System but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The corpus of the non-expendable restricted resources is available for investment purposes, and the earnings are used to support the university.

Restricted, Expendable Net Position decreased \$104.7 million, or 77.26%, to \$143.0 million due to decreases in interest earned on unexpended debt proceeds \$3.6 million, new project costs \$84.6 million, remission and waivers \$9.7 million, and student scholarships \$11.4 million; along with net increases from funding Federal Pell \$2.2 million and state pass throughs \$2.4 million funding.

The third category, Unrestricted Net Position, is available for any lawful purpose. Although unrestricted resources are not subject to externally imposed stipulations, it has been internally designated for various academic and research programs and initiatives.

Unrestricted Net Position increased \$46.1 million, or 23.22%, to \$244.5 million. An overall net increase in appropriated fund sources of \$3.5 million, designated \$29.9 million, and auxiliary funds \$12.6 million contributed to the change.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities are reported as operating or non-operating. GASB requires that State appropriations (legislative revenue) and Federal Pell Grants are reported as non-operating revenue, while the expenditure of these funds is reported as operating expense. This will generally result in an operating deficit for most public institutions. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation or amortization, which amortizes the cost of an asset over its expected useful life.

The purpose of this statement is to present the revenues earned and the expenses incurred by TWU System, both operating and non-operating, and any other revenues, expenses, gains, and losses

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

received or spent. The change in total net position as presented on the Statement of Net Position is a result of these activities.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of TWU System. Operating expenses are those expenses incurred to acquire goods and services provided in return for the operating revenues. Non-operating revenues are derived from sources that are not considered primary operations for an institution of higher education or State agency. State capital appropriations, capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income (Loss) Before Other Revenues, Expenses and Transfers."

A Condensed Statement of Revenues, Expenses and Changes in Net Position for the years ended August 31, 2025, and 2024 is presented below.

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position				
	2025	2024	\$ Change	% Increase (Decrease)
Operating Revenues and Expenses				
Operating Revenues	\$ 141,715,135	\$ 127,250,231	\$ 14,464,904	11.37%
Operating Expenses	(273,345,993)	(273,200,314)	145,679	0.05%
Operating Loss	\$ (131,630,858)	\$ (145,950,083)	\$ (14,319,225)	-9.81%
Non-Operating Revenues and Expenses	178,679,281	184,368,609	(5,689,328)	-3.09%
Gain/(Loss) Before Other Revenues, Expenses and Transfers	\$ 47,048,423	\$ 38,418,526	\$ 8,629,897	22.46%
Other Revenues, Expenses and Transfers	16,256,555	16,398,970	(142,415)	-0.87%
Change in Net Position	\$ 63,304,978	\$ 54,817,496	\$ 8,487,482	15.48%
Net Position, Beginning of Year	\$ 549,633,457	\$ 494,387,450	\$ 55,246,007	11.17%
Restatement	(442,699)	428,511	(871,210)	-203.31%
Net Position as Restated	\$ 549,190,758	\$ 494,815,961	\$ 54,374,797	10.99%
Net Position, End of Year	\$ 612,495,736	\$ 549,633,457	\$ 62,862,279	11.44%

Operating revenues totaled \$141.7 million in 2025, an increase of \$14.5 million, or 11.37%, from 2024. The primary sources of operating revenues are tuition and fees, Federal, State, local, and other operating revenues. Net tuition & fees are reflected in the financial statements, with associated

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

discounts and allowances shown separately. The increase in operating revenues is attributed to a \$13.3 million increase in tuition & fees, \$11.8 million increase in auxiliary revenues, \$137 thousand decrease in federal grant and state pass through revenues, along with a net change of \$10.6 million in discount and allowances.

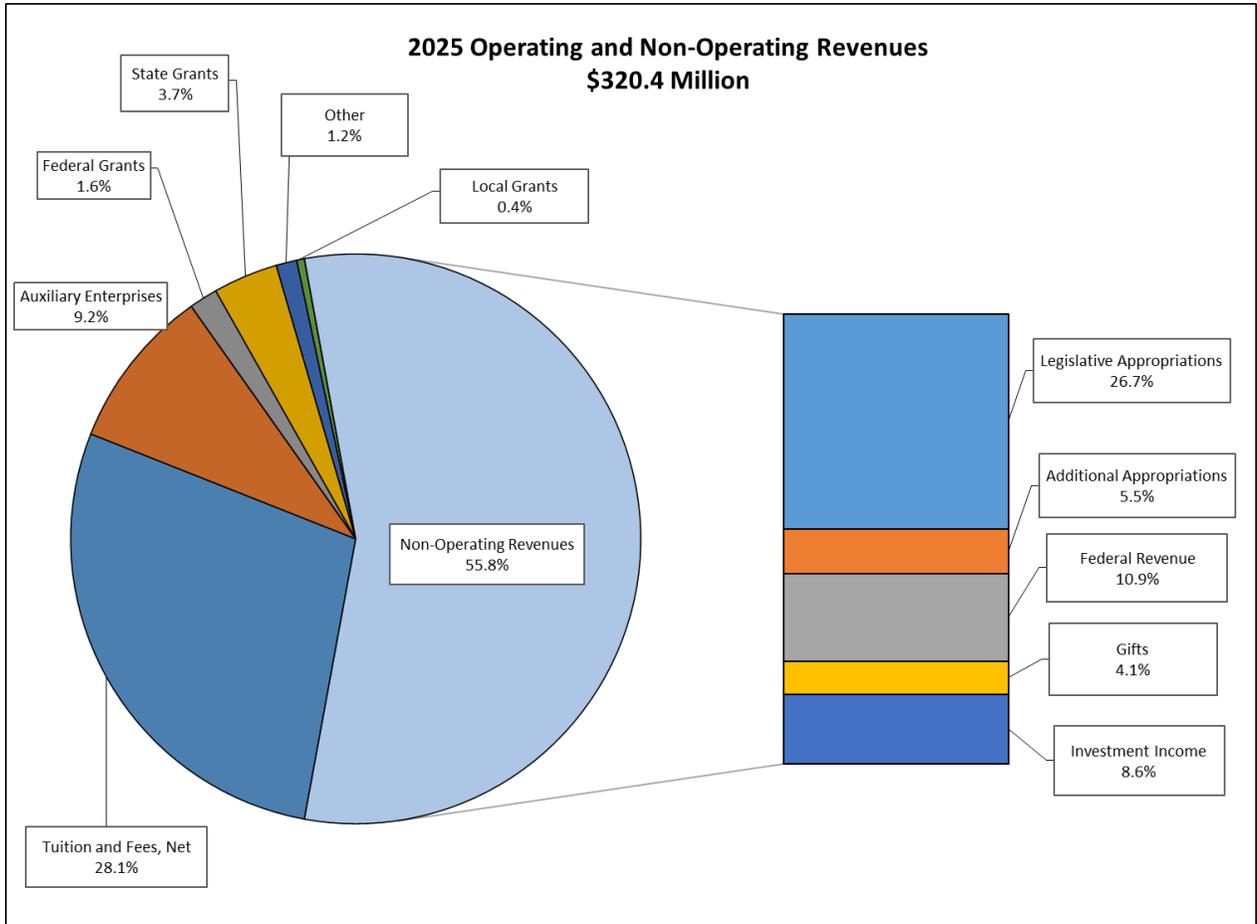
During fiscal year 2025, operating expenses totaled \$273.3 million, an increase of \$146 thousand, or 0.05% over 2024 remaining relatively flat. Even though payroll related costs decreased \$12.9 million due to the changes to in assumptions, specifically a demographic assumption, for ERS actuarial valuation for other post-employment benefit costs and pension expenses; however, the \$7.8 million increase in salary and wages, \$1.4 million increase in scholarships and \$3.5 million increase in other operating expenses offset the balance.

Non-operating revenues and expenses totaled \$178.7 million in 2025, a decrease of \$5.7 million, or 3.09%, from 2024. Non-operating revenues primarily come from State appropriations, Federal Pell grant revenue, gifts, investment income, and net increase in fair market value of investments. Non-operating expenses are primarily interest expenses and fiscal charges, along with loss on retirement of capital assets. The decrease in non-operating revenues is attributable to: \$362 thousand decrease in state appropriations; \$2.9 million increase in Federal Pell funding; \$7.2 million increase in gifts due to the University's capital gift campaign, which included gifts to support the Merrilee Alexander Kick College of Business and Entrepreneurship and the new Health Sciences Center in Denton; \$1.5 million increase in other non-operating revenues and an overall \$16.9 million decrease in investment income and fair value of investments due to changes in the market which have led to decrease in investment appreciation values held with the Texas A&M University-System.

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TEXAS WOMAN'S UNIVERSITY SYSTEM
Management's Discussion and Analysis
For the Year Ended August 31, 2025

The following graph presents total operating and non-operating revenues for the fiscal year ended August 31, 2025.

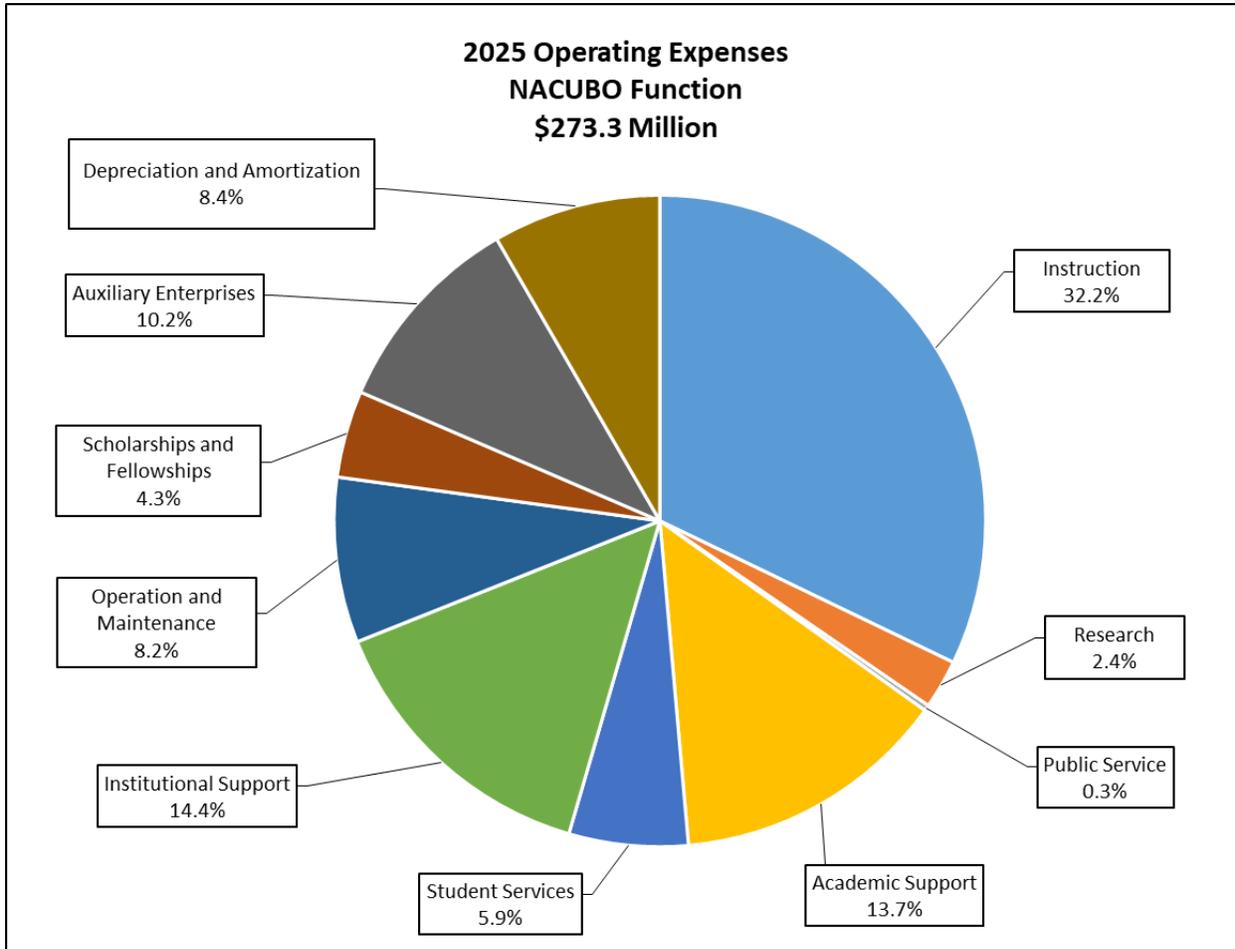


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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis
For the Year Ended August 31, 2025

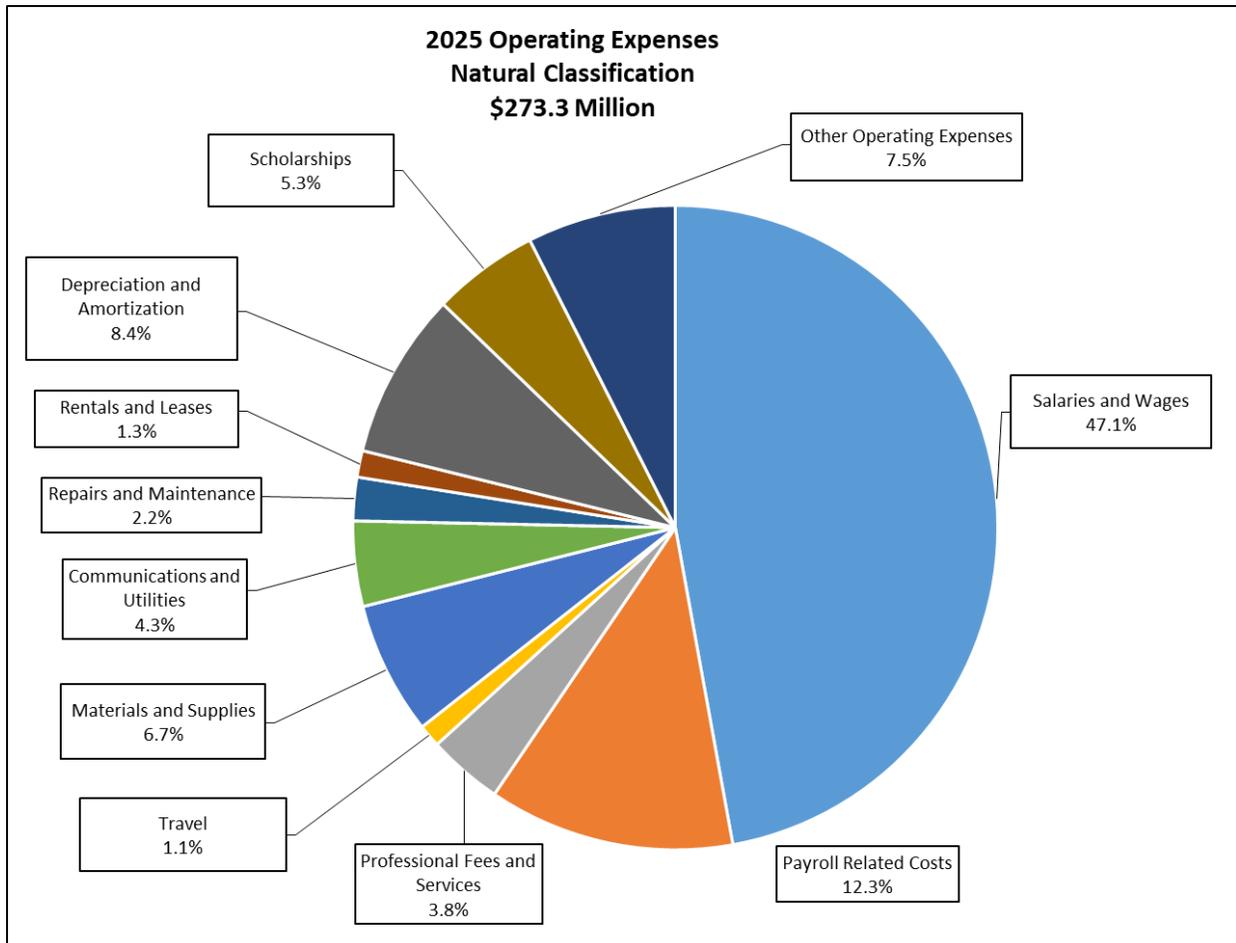
The following graph presents the operating expenses in the National Association of College and University Business Officers (NACUBO) functional classification for the year ended August 31, 2025.



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TEXAS WOMAN'S UNIVERSITY SYSTEM
Management's Discussion and Analysis
For the Year Ended August 31, 2025

The following graph presents the operating expenses in the natural classification for the year ended August 31, 2025.



Other revenues, expenses, and transfers are comprised of capital and endowment related additions and transfers, which totaled \$16.3 million, a decrease of \$142 thousand, or 0.87%, in 2025. The balance is mostly related to annual Higher Education Fund (HEF) revenue which totaled \$15.0 million in 2025. HEF is reported as capital appropriations rather than operating or non-operating revenue.

Restatements totaled \$442,699 in 2025. The restatement is due to an increase to beginning net position related to federal Perkins and Nursing loan funds.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Net Position totaled \$612.5 million and reflects a change in net position increase of \$8.5 million, or 22.46%, in 2025. The net change stems from operating revenues increasing in tuition & fees of \$13.3 million, auxiliary revenues of \$11.8 million, decreases in federal grant and state pass through revenues of \$137 thousand, along with a net change of \$10.6 million in discount and allowances. Operating expenses remained relatively level due to decreased payroll-related costs of \$12.9 million and increased costs in salary and wages of \$7.8 million, scholarships of \$1.4 million and other operating expenses of \$3.5 million. Non-operating revenues and expenses increases are attributable to gifts of \$7.2 million, other non-operating revenues of \$1.5 million, and additional federal funding of \$2.9 million, less decreases in investment income and fair value of investments of \$16.9 million and legislative appropriation funding of \$362 thousand.

Statement of Cash Flows

The final statement presented is the Statement of Cash Flows. This statement presents detailed information on the cash activity during the year. The first section presents operating cash flows and the net cash used for operating activities. The next section presents the results of non-capital financing activities. This section includes the cash flows from State appropriations and other non-operating activities. The capital and related financing activities section includes cash used for acquisition and construction of capital assets. The investment activities section reports purchases, proceeds, and earnings from investments. The final section is a reconciliation of net cash from operations to operating income.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

The Comparative Condensed Statement of Cash Flows is presented below.

Comparative Condensed Statement of Cash Flows		
Cash Flows From	2025	2024
Operating Activities	\$ (51,684,265)	\$ (98,563,131)
Non-Capital Financial Activities	165,146,807	162,580,705
Capital and Related Financing Activities	(148,972,877)	(82,231,414)
Investing Activities	36,652,714	27,157,103
Net Change in Cash & Cash Equivalents	\$ 1,142,379	\$ 8,943,263
Cash & Cash Equivalents, Beginning of Year	35,072,931	26,129,668
Reclassified Beginning Cash		
Cash & Cash Equivalents, End of Year	\$ 36,215,310	\$ 35,072,931

Capital Asset and Debt Administration

TWU System's capital asset additions from acquisitions, donations, and construction during fiscal year 2024 totaled \$101.8 million. More detailed information regarding TWU System's capital asset activity is provided in Note 2 - Capital Assets, in the notes to the financial statements.

TWU System embraces financial stewardship and works to manage its resources efficiently and effectively, including the prudent use of debt to finance capital projects. Additional bond information is presented on Schedules 2A- 2F in the notes to the financial statements.

TWU System has sufficient debt capacity to finance planned facilities and other capital improvements. In addition, the State appropriated amounts were sufficient for the reimbursement of debt service on all outstanding and planned Tuition Revenue Bond debt for the FY 2024-2025 biennium.

In September 2025, Moody's Investors Service assigned and maintained an Aa3 rating on Texas Woman's University revenue bonds, with a stable outlook.

UNAUDITED

TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Economic Outlook

The Texas economy continues to attract businesses, jobs, and people to Texas. Texas Woman's University System is committed to producing high quality graduates to meet Texas' workforce needs. TWU System remains a national leader in training professionals in the health-related fields and continues to produce graduates in high-demand fields. Over eighty percent of TWU System baccalaureate graduates were employed in Texas or were enrolled in a Texas graduate program within one-year of graduation.

Texas continues to lead the nation in economic growth and remains one of the strongest and most diverse economies in the nation. Gross domestic product growth is high, and unemployment is low. However, Texas is still experiencing labor shortages in nursing, allied health fields and teaching. All those fields are areas of academic excellence for TWU System. With the authorized construction of a new Health Sciences building on the Denton campus, TWU System is committed to expanding enrollment and graduates in these fields to help Texas meet its workforce goals. One hurdle that TWU System is facing is increasing inflationary pressures on non-discretionary expenditures while tuition revenue has remained restricted in the previous biennium. Those increasing costs in combination with restricted revenue have hindered growth. Texas Woman's University System continues to commit to affordability for its students and their families and is nationally recognized for the economic value of a TWU System education vs the cost of said education.

Significant Events

Several leadership changes at TWU System occurred during fiscal year 2025. These changes are included below.

- Dr. Catrine Tudor-Locke was appointed as Dean of the College of Health Sciences in April 2025.
- Dr. Brigitte Vittrup was appointed as Dean of the College of Professional Education in May 2025.
- Ms. Alyssa Flores was appointed the next student representative on TWU System's Board of Regents in June 2025.

September 13, 2024, Texas Woman's University was named among the nation's top 4,000-plus, four-year colleges and universities, appearing on the "best colleges" lists of the Wall Street Journal and Forbes, two national publications that focus on financial news. Texas Woman's was among the top 500 institutions selected for the "WSJ/College Pulse 2025 Best Colleges in the U.S." list, ranking as the fifth among 18 public colleges and universities in Texas that made the index. In all, Texas has 39 public institutions named on the list.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

September 16, 2024, Texas Woman's University was ranked number six among the top universities in the nation appearing on the "America's Best and Worst Colleges for Women in STEM" in the August 25 edition of Washington Monthly.

September 26, 2024, Texas Woman's University was ranked among the top universities in the nation for social mobility and named the university to the publication's "Best National University" and "Top Public Schools" lists. Additionally, U.S. News recognized Texas Woman's Bachelor of Nursing program as tied for the state's third best, while also listing the university's business and psychology programs on the index of top national programs.

October 21, 2024, the Professional Grounds Management Society specifically recognized Texas Woman's Denton and Dallas campuses for exceptional grounds-keeping during the society's 2024 Green Star Awards celebration in Louisville, Kentucky.

January 21, 2025, U.S. News & World Report recognized Texas Woman's University graduate online programs in education and nursing and bachelor's online programs in business as being among the nation's best. TWU's online graduate education offerings ranked in the top quartile of all university online graduate education programs in the country and seventh out of 25 ranked Texas institutions.

February 13, 2025, Texas Woman's University was designated a "Research 2: High Spending and Doctorate Production" institution for the 2025 Carnegie Classifications by the American Council on Education. The designation is determined through the Carnegie Classification of Institutions of Higher Education system, which reviews approximately 3,900 U.S. institutions every three years. Universities must have research expenditures of at least \$5 million annually and confer research doctorate degrees to no fewer than 20 PhD candidates per year to be eligible for the "R2" designation.

April 8, 2025, U.S. News & World Report recognized occupational therapy and physical therapy graduate programs at Texas Woman's University as being among the nation's best and tops in Texas. Occupational therapy ranked No. 1 in Texas, tied for 24th nationally and 15 spots in front of any other Texas program. The physical therapy program ranked No. 2 in Texas, tied for 28th nationally, 14 spots in front of the next Texas program.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Management's Discussion and Analysis

For the Year Ended August 31, 2025

Capital Projects

In August 2025, the new Health Science Building reached partial substantial completion and is occupied. Full substantial completion is expected by February 2026. The new building features 136,500 square feet primarily for the College of Nursing and the College of Health Sciences departments. The space brings together the Nursing, Physical Therapy, Occupational Therapy, and Speech-Language Pathology programs, along with their labs, clinics, and offices, into a shared interprofessional learning facility.

In August 2025, Brackenridge Hall was substantially completed. The new building features 75,000 square feet primarily to serve as a point of introduction for prospective students, their families and campus visitors. The space consolidates student-focused services into a one-stop-shop aimed to increase student peer-to-peer engagement.

In October 2025, the Bezos Academy preschool building was substantially completed, in partnership with the Bezos Academy. The building features 10,500 square feet primarily for early child learning, with six classrooms and an outdoor playground area.

The College of Business is currently in the programming phase for a new facility on the Denton campus. The building will be the new home for the College of Business along with an Entrepreneur Center, instructional labs, offices, and classrooms. The building is estimated to cost \$45 million and add approximately 35,000 – 40,000 feet of space. In addition, TWU is leveraging this project to construct an additional 20,000 square feet of future space for new and growing programs.

TWU System is currently exploring the Athletics district on the Denton campus to construct one or more facilities to support the athletics sports teams. These facilities may include a new fieldhouse, public use facilities, classrooms, locker rooms, offices, gymnasium and batting cages. This project is expected to be budgeted at \$30 million and completed over the next three years.

In support of our mission to fully renovate Jones Hall, a phase 3 will be completed to finish the renovation of the remaining spaces. These will be utilized for the Dental Hygiene faculty and the Disability Support Services group. This project is budgeted at \$5 million and is to be completed by Fall 2027.

TWU is actively working to manage aging infrastructure and is currently planning to retrofit several key buildings with centralized HVAC systems to remove them from the aging steam infrastructure. This project is estimated at \$13 million and is expected to be completed in phases over the next three years.



**TEXAS WOMAN'S
UNIVERSITY SYSTEM**

DENTON | DALLAS | HOUSTON

UNAUDITED

TEXAS WOMAN'S UNIVERSITY SYSTEM

Statement of Net Position

As of August 31, 2025

	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents		
Cash on Hand	\$ 21,962.00	\$ 32,018.75
Cash in Bank	15,302,509.12	15,832,672.82
Cash in State Treasury	12,842,135.56	10,807,394.37
Short Term Investments	231,891,724.83	196,589,725.41
Restricted Cash and Cash Equivalents		
Cash in Bank	8,048,704.90	8,400,846.98
Short Term Investments	71,885,081.38	158,128,725.76
Legislative Appropriations	25,846,618.69	31,176,362.36
Total Cash and Cash Equivalents	\$ 365,838,736.48	\$ 420,967,746.45
Receivables From:		
Student Receivable	\$ 25,246,789.98	\$ 27,215,450.10
Federal Receivable	18,580,336.63	40,872,986.48
Allowance for Doubtful Accounts	(4,586,310.88)	(3,982,830.17)
Other Receivables	18,837,765.17	15,581,551.40
Due from Other Agencies	309,032.56	177,781.90
Consumable Inventories	2,186,961.11	1,437,154.43
Prepaid/Deferred Charges	4,531,982.20	2,232,292.33
Loans and Contracts	3,512,312.85	3,808,889.34
Allowance for Loans and Contracts	(1,681,299.18)	(1,846,979.49)
Total Current Assets	\$ 432,776,306.92	\$ 506,464,042.77
Non-Current Assets:		
Unrestricted Investments	\$ 241,681,807.05	\$ 221,922,732.85
Restricted Investments	18,280,100.71	18,045,458.71
PPP Asset Receivable	59,781,118.24	59,781,118.24
Capital Assets, non-depreciable		
Land and Land Improvements	9,616,516.89	5,415,396.89
Construction in Progress	166,359,559.26	77,214,705.15
Capital Assets, depreciable		
Buildings and Building Improvements	551,251,331.22	528,192,327.97
Less Accumulated Depreciation	(307,920,315.74)	(288,356,718.61)
Infrastructure	15,616,213.11	12,891,144.70
Less Accumulated Depreciation	(11,710,787.85)	(11,537,393.61)
Facilities and Other Improvements	13,928,767.01	13,928,767.01
Less Accumulated Depreciation	(9,750,235.44)	(9,222,989.80)
Furniture and Equipment	34,895,837.68	33,356,937.13
Less Accumulated Depreciation	(26,941,282.37)	(25,787,048.60)
Vehicles, Boats, and Aircraft	2,891,923.39	2,979,701.87
Less Accumulated Depreciation	(2,199,670.08)	(2,093,154.78)
Other Capital Assets		
Library Books	19,117,541.73	19,112,457.16
Less Accumulated Depreciation	(18,584,181.58)	(18,476,008.59)
Museum and Art	46,000.00	46,000.00
Less Accumulated Depreciation	(46,000.00)	(46,000.00)
Software	7,934,319.37	4,860,521.02
Less Accumulated Amortization	(4,652,027.14)	(4,425,228.05)
Total Non-Current Assets	\$ 759,596,535.46	\$ 637,802,726.66
Total Assets	\$ 1,192,372,842.38	\$ 1,144,266,769.43
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	\$ 16,311,082.88	\$ 23,221,764.54
Total Deferred Outflows of Resources	\$ 16,311,082.88	\$ 23,221,764.54
Total Assets and Deferred Outflows of Resources	\$ 1,208,683,925.26	\$ 1,167,488,533.97

UNAUDITED

TEXAS WOMAN'S UNIVERSITY SYSTEM

Statement of Net Position

As of August 31, 2025

LIABILITIES

Current Liabilities:

Payables From		
Accounts Payable	\$ 21,038,971.19	\$ 10,846,722.59
Payroll Payable	14,065,400.37	13,449,555.08
Due to Other Agencies	3,035,974.06	1,730,823.60
Deferred Revenues	64,182,851.32	69,279,793.52
Employees' Compensable Leave	3,274,906.33	3,155,785.82
Employees Compensable Leave-Sick	123,479.58	
Revenue Bonds Payable	17,765,000.00	17,065,000.00
Premium on Bonds Payable	2,228,933.95	2,424,698.80
Net OPEB Obligation	4,571,906.00	3,980,603.00
Other Payables	17,017,579.60	15,798,616.48
Funds Held for Others	4,986,815.53	5,098,589.28
Total Current Liabilities	\$ 152,291,817.93	\$ 142,830,188.17

Non-Current Liabilities

Employees' Compensable Leave	\$ 2,198,331.52	\$ 2,436,743.06
Revenue Financing System Bonds	200,660,000.00	218,425,000.00
Premium on Bonds Payable	13,083,284.35	15,312,218.30
Net OPEB Obligation	92,487,404.00	90,494,470.00
Net Pension Liability	41,862,815.00	48,440,962.00
Total Non-Current Liabilities	\$ 350,291,834.87	\$ 375,109,393.36

Total Liabilities

\$ 502,583,652.80 \$ 517,939,581.53

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources	\$ 93,604,537.24	\$ 99,915,495.24
Total Deferred Inflows of Resources	\$ 93,604,537.24	\$ 99,915,495.24

Total Liabilities and Deferred Inflows of Resources

\$ 596,188,190.04 \$ 617,855,076.77

NET POSITION

Net Investment in Capital Assets	\$ 206,239,966.04	\$ 84,985,060.30
Restricted for:		
Capital Projects	108,677,770.43	196,890,980.43
Other Restricted	34,330,010.75	50,824,818.16
Funds Held as Permanent Investments		
Non-Expendable		
Endowment Funds	18,747,535.09	18,507,960.32
Unrestricted	244,500,452.91	198,424,637.99
Total Net Position	\$ 612,495,735.22	\$ 549,633,457.20

Total Liabilities and Net Position

\$ 1,208,683,925.26 \$ 1,167,488,533.97

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Statement of Revenues, Expenses, and Changes in Net Assets

For the Year Ended August 31, 2025

	2025	2024
OPERATING REVENUES		
Tuition and Fees	\$ 156,043,660.67	\$ 142,668,991.16
Discounts and Allowances	(65,948,643.61)	(59,594,573.96)
Auxiliary Enterprises	44,349,511.30	32,571,713.36
Discounts and Allowances	(14,871,250.39)	(10,675,116.72)
Federal Grant Revenue	4,734,457.27	5,858,509.19
Federal Pass-Through Revenue	458,512.82	478,249.19
State Grant Revenue	1,090,780.86	903,884.39
State Grant Pass-Through Revenue	10,684,206.61	8,294,269.63
Other Contracts and Grants	1,411,704.02	2,619,378.25
Other Operating Revenues	3,762,195.33	4,124,926.50
Total Operating Revenues	\$ 141,715,134.88	\$ 127,250,230.99
OPERATING EXPENSES		
Cost of Goods Sold	\$ 459.25	\$ 1,182.00
Salaries and Wages	128,814,770.22	121,024,522.37
Payroll Related Costs	33,727,684.00	46,582,169.01
Professional Fees and Services	10,279,201.11	13,324,974.16
Federal Grant Pass-Through	3,147.91	6,382.72
Travel	3,103,272.75	3,130,947.47
Materials and Supplies	18,228,606.15	16,811,496.25
Communication and Utilities	11,689,592.39	10,494,056.39
Repairs and Maintenance	5,953,690.16	7,990,332.80
Rentals and Leases	3,630,971.64	1,308,276.83
Printing and Reproduction	758,086.82	704,335.95
Depreciation and Amortization	22,829,775.15	23,222,182.70
Bad Debt Expense	1,460,761.72	966,930.50
Scholarships	14,604,565.70	13,213,746.41
Other Operating Expenses	18,261,407.83	14,418,778.57
Total Operating Expenses	\$ 273,345,992.80	\$ 273,200,314.13
Operating Loss	\$ (131,630,857.92)	\$ (145,950,083.14)
NON-OPERATING REVENUES (EXPENSES)		
Legislative Appropriations	\$ 85,550,267.00	\$ 85,912,642.00
Additional Appropriations	17,617,925.09	17,468,935.92
Federal Revenue	34,772,179.90	31,917,354.13
Gifts	13,084,950.01	5,841,849.30
Investment Income	27,384,136.27	26,737,535.73
Interest Expense and Fiscal Charges	(9,301,994.39)	(9,815,252.61)
Settlement Expense	-	(12,975.00)
Loss on Retirement of Capital Assets	(40,231.12)	-
Net Increase in Fair Value of Investments	8,625,586.76	25,498,721.96
Other Non-Operating Revenues	986,460.99	819,796.63
Total Non-Operating Revenues (Expenses)	\$ 178,679,280.51	\$ 184,368,608.06
Income Before Other Revenues, Expenses and Transfers	\$ 47,048,422.59	\$ 38,418,524.92

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended August 31, 2025

OTHER REVENUES, EXPENSES AND TRANSFERS

Capital Appropriations	\$ 14,993,229.00	\$ 14,993,229.00
Transfers From Other State Agencies	118,057.00	125,625.00
Transfers To Other State Agencies	(32,688.21)	(28,515.55)
Legislative Transfers In	1,177,957.00	1,308,632.00
Total Other Revenues, Expenses and Transfers	\$ 16,256,554.79	\$ 16,398,970.45

CHANGE IN NET POSITION

\$ 63,304,977.38 **\$ 54,817,495.37**

Net Position, Beginning	\$ 549,633,457.20	\$ 494,387,450.38
Restatements	(442,699.36)	428,511.45
Beginning Net Position, as Restated	\$ 549,190,757.84	\$ 494,815,961.83

ENDING NET POSITION

\$ 612,495,735.22 **\$ 549,633,457.20**

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Matrix of Operating Expenses Reported by Function

For the Year Ended August 31, 2025

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ 352.87				
Salaries and Wages	64,424,334.79	3,493,683.81	175,552.96	17,059,807.57	8,795,786.47
Payroll Related Costs	16,532,311.53	588,378.78	30,832.34	3,980,543.91	2,428,933.71
Professional Fees and Services	119,315.15	42,944.39	123,223.72	6,797,935.15	84,012.31
Federal Pass-through Expenses	-	3,147.91		-	
Travel	637,867.02	289,683.14	5,646.16	834,283.40	215,627.81
Materials and Supplies	1,634,811.43	660,013.70	104,880.17	1,764,003.35	833,510.74
Communications and Utilities	23,213.05	98,183.64	2,447.88	4,305,557.44	81,821.26
Repairs and Maintenance	75,030.21	39,541.88		277,935.58	70,603.97
Rentals and Leases	56,433.40	1,891.26	165,541.29	193,923.95	152,932.80
Printing and Reproduction	107,665.70	13,387.18	18,530.01	78,323.89	106,175.51
Depreciation and Amortization	-			-	
Bad Debt Expense	-			-	
Scholarships	110,315.93	446,776.13		79,926.56	2,676,483.57
Other Operating Expenses	3,977,931.61	1,004,403.79	164,159.42	2,150,726.33	715,609.37
Total Operating Expenses	\$ 87,699,582.69	\$ 6,682,035.61	\$ 790,813.95	\$ 37,522,967.13	\$ 16,161,497.52

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Institutional Support	Operation and Maintenance	Scholarships & Fellowships	Auxiliary Enterprises	Depreciation & Amortization	Total Expenditures
\$ -			\$ 106.38		\$ 459.25
20,741,764.98	6,381,620.81	417,671.34	7,324,547.49	-	128,814,770.22
5,031,306.61	2,519,331.47	-	2,616,045.65	-	33,727,684.00
2,405,815.94	533,526.54		172,427.91		10,279,201.11
	-				3,147.91
309,179.19	33,350.20		777,635.83		3,103,272.75
1,273,736.56	4,292,317.26		7,665,332.94		18,228,606.15
416,811.38	4,091,279.75		2,670,277.99		11,689,592.39
1,790,555.68	2,875,355.32		824,667.52		5,953,690.16
134,172.96	20,511.26		2,905,564.72		3,630,971.64
323,294.43	3,680.23		107,029.87		758,086.82
	-			22,829,775.15	22,829,775.15
	-	1,460,761.72			1,460,761.72
-	-	9,900,935.73	1,390,127.78	-	14,604,565.70
7,105,860.30	1,706,486.04	23,220.97	1,413,010.00		18,261,407.83
\$ 39,532,498.03	\$ 22,457,458.88	\$ 11,802,589.76	\$ 27,866,774.08	\$ 22,829,775.15	\$ 273,345,992.80

TEXAS WOMAN'S UNIVERSITY SYSTEM

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2025

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Proceeds Received from Tuition and Fees	\$ 92,720,308.35	\$ 84,222,356.57
Payments from Research Grants and Contracts	40,669,163.52	19,182,958.36
Proceeds from Auxiliary	36,164,539.38	21,896,596.64
Proceeds from Other Revenues	5,564,155.90	9,902,241.23
Proceeds from Loans and Contracts	-	-
Proceeds from a Defined Benefit Pension Plan	1,139,575.00	4,011,699.00
Proceeds from a Defined Benefit OPEB Plan	4,563,021.00	7,035,602.00
Payments to Vendors and Suppliers	(46,047,586.05)	(64,561,153.70)
Payments to Employees	(166,149,677.05)	(155,992,383.30)
Payments for Other Expenses		
Payments for Pension Benefits to Plan Members	(1,139,575.00)	(4,011,699.00)
Payments for OPEB Benefits to Plan Members	(4,563,021.00)	(7,035,602.00)
Payments for Scholarships	(14,605,168.70)	(13,213,746.41)
Net Cash Used by Operating Activities	\$ (51,684,264.65)	\$ (98,563,130.61)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	\$ 118,161,421.09	\$ 118,374,806.92
Proceeds for Transfers in from Other Funds	1,296,014.00	1,434,257.00
Proceeds from Gifts	13,084,950.01	5,841,849.30
Proceeds from Loan Programs	67,981,942.22	62,549,085.13
Payments for Other Noncapital Financing Uses	(572,652.08)	5,066,483.61
Payments for Transfers out to Other Funds	(32,688.21)	(28,515.55)
Proceeds for Other Noncapital Financing Uses		
Payments for Interest		
Payments for Grant Disbursements	(34,772,179.90)	(30,657,261.00)
Payments for Other Uses		
Net Cash Provided by Noncapital Financing Activities	\$ 165,146,807.13	\$ 162,580,705.41
Cash Flows from Capital and Related Financing Activities		
Proceeds from Debt Issuance	-	-
Payments for Refunding Bonds		
Payments for Additions to Capital Assets	(120,209,590.81)	(53,092,656.62)
Payments of Principal on Debt Issuance	(17,065,000.00)	(16,750,000.00)
Payments of Principal on Capital Lease Obligations	0.00	
Payments of Interest on Debt Issuance	(11,691,807.53)	(12,384,506.95)
Payments of Other Costs on Debt Issuance	(6,479.15)	(4,250.00)
Net Cash Provided (Used) Capital and Related Financing Activities	\$ (148,972,877.49)	\$ (82,231,413.57)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments		
Proceeds from Interest and Investment Income	\$ 28,153,915.99	\$ 27,455,396.24
Proceeds to Acquire Investments	8,498,797.68	(298,292.80)
Net Cash Used by Investing Activities	\$ 36,652,713.67	\$ 27,157,103.44
Increase in Cash and Cash Equivalents	\$ 1,142,378.66	\$ 8,943,264.67
Cash and Cash Equivalents, September 1, 2024	\$ 35,072,932.92	\$ 26,129,668.25
Reclassified Beginning Cash	-	-
Cash and Cash Equivalents, August 31, 2025	\$ 36,215,311.58	\$ 35,072,932.92

TEXAS WOMAN'S UNIVERSITY SYSTEM

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2025

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents, August 31, 2025	\$ 36,215,311.58	\$ 35,072,932.92
Displayed as:		
Total Cash and Cash Equivalents	\$ 36,215,311.58	\$ 35,072,932.92
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	\$ (131,702,512.56)	\$ (145,950,083.14)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	\$ 22,829,775.15	\$ 23,222,182.70
OPEB Expense	\$ (3,695,758.00)	\$ 7,698,863.00
Employee Benefits paid by State		
Pension Expense	\$ 5,001,747.00	\$ 7,875,321.00
Bad Debt Expense	\$ 1,460,761.72	\$ 966,930.50
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	\$ 43,807,788.96	\$ 6,379,080.99
(Increase) Decrease in Due from Other Agencies	(131,250.66)	(74,276.30)
(Increase) Decrease in Inventories	(749,806.68)	(140,187.14)
(Increase) Decrease in Prepaid Expenses	(2,299,689.87)	(890,179.51)
(Increase) Decrease in Loans and Contracts	296,576.49	60,643.87
(Increase) Decrease in Loans and Contracts Allowance for Doubtful Accounts	(165,680.31)	
(Increase) Decrease in Deferred Outflows of Resources - Pensions	8,896,520.00	(1,498,959.00)
(Increase) Decrease in Deferred Outflows of Resources - OPEB	(2,020,724.00)	15,526,068.00
Increase (Decrease) in Payables	10,263,903.24	3,218,580.47
Increase (Decrease) in Payroll Payable	615,845.29	(294,915.10)
Increase (Decrease) in Due to Other Agencies	1,305,150.46	194,898.74
Increase (Decrease) in Deferred Income	5,096,942.20	1,352,830.93
Increase (Decrease) in Compensable Absences - Current	242,600.09	294,869.25
Increase (Decrease) in Compensable Absences - Non current	(238,411.54)	262,048.52
Increase (Decrease) in Other Liabilities	1,218,963.12	1,361,233.30
Increase (Decrease) in Funds Held for Others	(111,773.75)	425,910.31
Increase (Decrease) in Liabilities to Employees for Defined Benefit Pensions	(11,579,894.00)	(340,244.00)
Increase (Decrease) in Liabilities to Employees for Defined Benefit OPEB	6,285,621.00	(11,103,153.00)
Increase (Decrease) in Deferred Inflows of Resources - Pensions	(1,178,798.00)	(2,024,419.00)
Increase (Decrease) in Deferred Inflows of Resources - OPEB	(5,132,160.00)	(5,086,176.00)
Increase (Decrease) in Deferred Inflows of Resources - PPP	-	-
Total adjustments	\$ 80,018,247.91	\$ 47,386,952.53
Net Cash Used by Operating Activities	\$ (51,684,264.65)	\$ (98,563,130.61)
Non Cash Transactions		
Net Change in Fair Value of Investments	\$ 8,625,586.76	\$ 25,498,721.96
Amortization of Bond Premiums	(2,424,698.80)	(2,608,390.00)
Asset Disposal Gain/(Loss)	(40,231.12)	-
Amortization of Deferred Inflows/Outflows from Refunding Bonds	34,885.66	34,885.66
Other Uses: Grant Revenue - OPEB	5,626.00	5,371.00

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

Introduction

Texas Woman's University (TWU) was founded in 1901 by an act of the 27th Legislature of the State of Texas, and the enacting statute laid a strong foundation for a multi-purpose institution of higher education. In 2021, the 87th Legislature authorized creating the Texas Woman's University System (TWU System) and in doing so created the first publicly funded woman-focused university system in the United States. As a publicly funded institution, TWU System's financial records comply with State statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies and Universities and with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Because TWU System is a component operating unit of the State of Texas government, the financial information is consolidated with other State agencies and institutions in the State's Annual Comprehensive Financial Report (ACFR). The Comptroller of Public Accounts is responsible for preparation of the ACFR, which meets all requirements delineated in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Comptroller does not require the annual financial report of TWU System, or other component units, to comply with all requirements of these statements. The financial reports of TWU System and other component units will be considered for audit by the State Auditor's Office as part of the audit of the State's ACFR. Therefore, an opinion has not been expressed on the financial statements and related information in this report.

GASB Statement No. 63 amended Statement No. 34, revising the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Board asserts that the new requirements introduced with GASB Statement No. 63 will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

As part of the preparation of this financial report, consideration was given to the requirements of GASB No. 39, *Determining Whether Certain Organizations Are Component Units*. For Texas Woman's University System, the results of this consideration show:

Blended Component Units

No component units have been identified which should have been blended into appropriated funds.

Discrete Component Units

No component units have been identified which should have been included in a discrete presentation in the financial report.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

Fund Structure

Texas Woman's University System is an Enterprise Fund reported in the State of Texas' Annual Comprehensive Financial Report as a Proprietary Fund Type. Enterprise Funds are used to account for any activity in which a fee is charged to external users for goods or services.

Activities must be reported as Enterprise Funds if any one of the following criteria are met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Fiduciary Funds

Custodial Funds

Texas Woman's University System implemented GASB Statement No. 84, *Fiduciary Activities*, in fiscal year 2020. The standard defines the criteria for identifying fiduciary activities of all state and local governments. The public private partnership housing agreement between TWU and Collegiate Housing Foundation (CHF) was deemed as fiduciary funds since the balance exceeded the Comptroller's materiality threshold. As a requirement, basic financial statements related to the fiduciary funds are included.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting determines when revenues and expenditures, or expenses, are recognized in the accounts reported in the financial statements.

Texas Woman's University System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Texas Woman's University System has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. TWU System has elected not to apply FASB pronouncements issued after the applicable date.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position

Assets

Cash and Cash Equivalents

For purposes of the statements of cash flows, TWU System considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation, revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Leases

As defined by GASB Statement No. 87- *Leases* this creates a single model for lease accounting. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources, based on the payment provisions of the contract.

Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of the asset using the straight-line method.

Other Receivables

Other receivables include year-end revenue accruals not included in any other receivable category.

Liabilities

Accounts Payable

Accounts payable represent the liability for the value of assets or services received at the balance sheet date for which payment is pending.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities for both sick leave and vacation leave are reported separately as either current or non-current in the statement of net assets.

Revenue Bonds Payable

Revenue bonds are reported at par. Payables are reported separately as either current or non-current in the statement of net assets.

Net Pension Liability

The net pension values are provided by the State of Texas Comptroller's Office and define Texas Woman's University System proportional share of the Teacher Retirement System of Texas (TRS) unfunded pension liability.

The fiduciary net position of the TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes - for purposes of measuring the net pension liability - deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Other Postemployment Benefits Liability

The net of other postemployment benefits (OPEB) values is provided by the State of Texas Comptroller's Office and define Texas Woman's University System proportional share of the Employees Retirement System of Texas (ERS) unfunded OPEB liability.

The fiduciary net position of the ERS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes changes in OPEB liability resulting in deferred outflows or inflows of resources, the differences between expected and actual actuarial experience, changes in actuarial assumptions, the difference between projected and actual earnings on plan investments, changes in proportion of collective OPEB amounts, and differences between actual contributions and proportionate share.

Deferred Outflows of Resources

Deferred outflows of resources relate to unamortized losses on refunding of debt, pensions and postemployment benefits other than pensions.

Deferred Outflows of Resources Related to Debt Refunding

For debt refunding, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized using the straight-line method over the remaining life of the old debt or the life of the new debt,

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

whichever is shorter, in the Statement of Revenues, Expenses and Changes in Net Position as a component of interest expense.

Deferred Outflows of Resources Related to Pensions

Certain changes in the collective net pension liability of the Teacher Retirement System of Texas are reported as deferred outflows of resources related to pensions or as deferred inflows of resources related to pensions, depending on the type of change.

Deferred Outflows of Resources Related to Postemployment Benefits Other than Pensions

Certain changes in the collective net postemployment benefits other than pensions liability, including retiree health care associated with Employee Retirement System of Texas, are reported as deferred outflows of resources related to other non-pensions or as deferred inflows of resources related to other non-pensions, depending on the type of change.

Deferred Inflows of Resources

Deferred inflows of resources relate to unamortized gains on refunding of debt, pensions and postemployment benefits other than pensions.

Deferred Inflows of Resources Related to Debt Refunding

For debt refunding, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter, in the Statement of Revenues, Expenses and Changes in Net Position as a component of interest expense.

Deferred Inflows of Resources Related to Pensions

Certain changes in the collective net pension liability of the Teacher Retirement System of Texas are reported as deferred outflows of resources related to pensions, or as deferred inflows of resources related to pensions, depending on the type of change.

Deferred Inflows of Resources Related to Postemployment Benefits Other than Pensions

Certain changes in the collective net postemployment benefits other than pensions liability, including retiree health care associated with Employee Retirement System of Texas, are reported as deferred outflows of resources related to other non-pensions or as deferred inflows of resources related to other non-pensions, depending on the type of change.

Deferred Inflows of Resources Related to PPP

For a PPP asset, the agency (the transferor) must initially measure the underlying PPP asset at the carrying value as of the commencement of the PPP term and report it as deferred inflow of resources related to the PPP.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

Net Position

As defined in GASB Statement No. 63, Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net assets are divided into three components—invested in capital assets, restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt

This represents the total amount of capital assets, net of accumulated depreciation and net of outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted net position represents resources which are constrained for a particular purpose and are presented according to the purposes to which they are limited. Sponsored grants, student loan funds and endowment assets are included in this category. Restricted net position results when constraints are placed on net position that are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Generally, when an expense is incurred that can be paid using either restricted or unrestricted resources, TWU's policy is to first apply the expense towards the restricted resources and then towards the unrestricted resources.

Unrestricted Net Position

Unrestricted net position represents all resources not included in the other components. These resources can be considered usable for any purpose, though they may not be in a spendable form, like cash. Unrestricted net position often has constraints on resources which are imposed by management but can be removed or modified.

Revenues and Expenses

Operating Revenues and Expenses

Operating revenues include activities which have the characteristics of exchange transactions, such as student tuition and fees, net of scholarship discounts and allowances, sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and most Federal, State and local grants and contracts. Operating expenses include salaries and wages, payroll related costs, professional fees and services, materials and supplies, depreciation and amortization, and scholarships and fellowships.

Non-operating Revenues and Expenses

Non-operating revenues include activities which have the characteristics of non-exchange transactions such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9 and GASB Statement No. 34, such as state appropriations and investment income. Non-operating expenses include activities such as interest expense on capital asset financings and other expenses that are defined as non-operating expenses by GASB.

Texas Woman's University System implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, in fiscal year 2019. The standard defines interest cost

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

incurred before the end of a construction period to be recognized as an expense instead of capitalized to the Statement of Net Position in the fiscal year in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

Investments

Texas Woman's University System entered into a contract with The Texas A&M University System in March 2016 to manage the University's long-term investments in The Texas A&M Cash Concentration Pool. A second contract with The Texas A&M University System was executed in March 2016 to allow investment of endowment assets in the Texas System Endowment Fund managed by The Texas A&M University System.

Texas Woman's University System implemented GASB Statement No. 72, *Fair Value Measurement and Application*, in fiscal year 2016. The statement defines an investment as a security or other asset that a government holds primarily for the purpose of income or profit. The present service capacity is based solely on the ability of the security or other assets to generate cash or to be sold to generate cash. Fair value is defined as the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

The statement requires fair value to be measured in a manner consistent with one of three approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and relevant market information to measure fair value. The cost approach reflects the amount that would be required to replace the asset and its service capacity. The income approach converts future amounts, such as cash flows, into a single current amount. Texas Woman's University System primarily uses the market approach to value investments.

Measuring fair value requires gathering information, or inputs, related to the asset or liability being measured. The fair value hierarchy categorizes the inputs used to measure fair value into three levels. Level 1 inputs are quoted prices in active markets for assets or liabilities identical to the ones being measured, Level 2 inputs are observable for similar assets or liabilities, and Level 3 inputs are unobservable inputs.

The notes to the financial statements disclose the input levels used to determine fair value and display the deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Note 3 - Deposits, Investments and Repurchase Agreements

Texas Woman's University System implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for fiscal year 2016. Investments have been presented according to the hierarchy of inputs used to measure fair value:

- Level 1 has been assigned to investments for which quoted prices (unadjusted) are available for identical assets in active markets on the measurement date. These assets include equities (common stock, listed ADR's and listed preferred stock), exchange traded mutual funds, and exchange traded options, money market funds and U.S. Treasury securities.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 1: Summary of Significant Accounting Policies

- Level 2 has been assigned to investments for which there are inputs, other than quoted prices, that are observable for an asset or liability, either directly or indirectly. These assets include cash equivalents, collateralized mortgage obligations, corporate bonds, mortgage-backed securities, municipal bonds, non-exchange traded options, short-term obligations, and U.S. agency securities.
- Level 3 has been assigned to assets to which there are unobservable inputs. Examples of these assets are commingled funds and private equity technology partnerships and are discussed below.
- Net Asset Value (NAV) – Texas Woman's University System invests in certain private investments and limited partnerships including hedge funds, private equity, venture capital, natural resources, energy, and real estate. The fair value of these investments is based on the investment manager determined NAV as allowed by the GASB Statement. The valuations at the date provided by the investment manager have been adjusted by rolling forward to August 31, 2024 to include the following events: capital contributions or distributions since the investment manager valuation date reported to Texas Woman's University System, changes in the composition of assets or liabilities reported by the investment manager since the valuation date of the NAV, and fair value changes of assets or liabilities reported since the investment manager valuation date. In the case of hedge funds, Texas Woman's University System has adjusted the reported July 31, 2025 NAV by the estimated performance as of August 31, 2025, as reported by the investment manager.

Upcoming Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*, limits Management's Discussion and Analysis (MD&A) to topics in five sections and requires inflows and outflows related to unusual or infrequent items. This statement also updates the presentation of proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position to include a subtotal for operating income (loss) and noncapital subsidies. This statement will be implemented in fiscal year 2026. TWU System continues to evaluate the impact to the financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain information regarding capital assets to be presented by major class. This statement updates the presentation of capital assets as described in Statement No. 34 and requires that certain types of assets be disclosed separately in the capital assets note disclosure. It also requires additional disclosures for assets held for sale. This statement will be implemented in fiscal year 2026. TWU System continues to evaluate the impact to the financial statements.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2025 is presented below.

	PRIMARY GOVERNMENT		
	Balance September 1, 2024	Adjustments	Reclassifications of Completed Construction in Progress
BUSINESS-TYPE ACTIVITIES			
Non-Depreciable or Non-Amortizable Assets			
Land and Land Improvements	\$ 5,415,396.89	\$ -	\$ -
Construction in Progress	77,214,705.15	-	(28,857,870.01)
Total Non-Depreciable or Non-Amortizable Assets:	82,630,102.04	-	(28,857,870.01)
Depreciable Assets			
Buildings and Building Improvements	528,192,327.97	-	23,059,003.25
Infrastructure	12,891,144.70	-	2,725,068.41
Facilities and Other Improvements	13,928,767.01	-	-
Furniture and Equipment	33,356,937.13	-	-
Vehicles, Boats and Aircraft	2,979,701.87	-	-
Other Capital Assets	19,158,457.16	-	-
Total Depreciable Assets at Historical Cost	610,507,335.84	-	25,784,071.66
Less Accumulated Depreciation for:			
Buildings and Building Improvements	(288,356,718.61)	-	-
Infrastructure	(11,537,393.61)	-	-
Facilities and Other Improvements	(9,222,989.80)	-	-
Furniture and Equipment	(25,787,048.60)	-	-
Vehicles, Boats and Aircraft	(2,093,154.78)	-	-
Other Capital Assets	(18,522,008.59)	-	-
Total Accumulated Depreciation	(355,519,313.99)	-	-
Total Depreciable Assets, Net	254,988,021.85	-	25,784,071.66
Intangible Capital Assets – Amortizable			
Computer Software – Intangible	4,860,521.02	-	3,073,798.35
Total Intangible Assets at Historical Cost	4,860,521.02	-	3,073,798.35
Less Accumulated Amortization for:			
Computer Software – Intangible	(4,425,228.05)	-	-
Total Accumulated Amortization	(4,425,228.05)	-	-
Total Intangible Assets, Net	435,292.97	-	3,073,798.35
Business-Type Activities Capital Assets, Net	\$ 338,053,416.86	\$ -	\$ -

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 2: Capital Assets

Reclassifications Increase Interagency Transfers	Reclassifications Decrease Interagency Transfers	Additions	Deletions	Balance August 31, 2025
\$ -	\$ -	\$ 4,201,120.00	\$ -	\$ 9,616,516.89
-	-	118,002,724.12	-	166,359,559.26
-	-	122,203,844.12	-	175,976,076.15
-	-	-	-	551,251,331.22
-	-	-	-	15,616,213.11
-	-	-	-	13,928,767.01
-	-	2,441,614.57	(902,714.02)	34,895,837.68
-	-	-	(87,778.48)	2,891,923.39
-	-	24,640.18	(19,555.61)	19,163,541.73
-	-	2,466,254.75	(1,010,048.11)	637,747,614.14
-	-	(19,563,597.13)	-	(307,920,315.74)
-	-	(173,394.24)	-	(11,710,787.85)
-	-	(527,245.64)	-	(9,750,235.44)
-	-	(2,016,716.67)	862,482.90	(26,941,282.37)
-	-	(194,293.78)	87,778.48	(2,199,670.08)
-	-	(127,728.60)	19,555.61	(18,630,181.58)
-	-	(22,602,976.06)	969,816.99	(377,152,473.06)
-	-	(20,136,721.31)	(40,231.12)	260,595,141.08
-	-	-	-	7,934,319.37
-	-	-	-	7,934,319.37
-	-	(226,799.09)	-	(4,652,027.14)
-	-	(226,799.09)	-	(4,652,027.14)
-	-	(226,799.09)	-	3,282,292.23
\$ -	\$ -	\$ 101,840,323.72	\$ (40,231.12)	\$ 439,853,509.46

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Deposits of Cash in Bank

As of August 31, 2025, the carrying amount of deposits was \$23,351,214.02 as presented below:

Governmental and Business-Type Activities	
CASH IN BANK – CARRYING VALUE	\$ 23,351,214.02
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash In Bank per AFR	23,351,214.02
Governmental Funds Current Assets Cash in Bank	
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	15,297,259.12
Proprietary Funds Current Assets Restricted Cash in Bank	8,053,954.90
Proprietary Funds Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	\$ 23,351,214.02

As of August 31, 2025, the carrying amount of deposits related to Fiduciary Funds was \$4,119,201.16 as presented below:

Fiduciary Funds	
CASH IN BANK – CARRYING VALUE	\$ 4,119,201.16
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash In Bank per AFR	4,119,201.16
Fiduciary Funds Cash in Bank	4,119,201.16
Fiduciary Funds Restricted Cash in Bank	
Cash in Bank per AFR	\$ 4,119,201.16

As of August 31, 2025, the total bank balance was as follows:

Governmental and Business-Type Activities	\$ 25,521,862.26
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Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Texas Woman's University System has a depository contract with PNC Bank. PNC Bank holds letters of credit with the Federal Reserve Bank providing collateral for TWU System deposits. At August 31, 2025, there were letters of credit totaling \$91,658,074.54.

As of August 31, 2025, TWU System did not have bank balances that are exposed to custodial credit risk.

Investments

Texas Woman's University System is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act, Section 2256.001 of the Texas Governmental Code.

Additionally, Texas Woman's University System contracts with the Texas A&M University System (the A&M System) to manage TWU System investments in the Cash Concentration Pool (CCP) as well as the A&M System Endowment Fund (SEF). The fair value of investments in the CCP and the SEF managed by the A&M System at August 31, 2025 were \$241,681,807.05 and \$18,280,100.71, respectively. Additional information related to these investments is disclosed further below.

As of August 31, 2025, the fair value of Texas Woman's University System investments was \$576,580,849.53 as presented below:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	NAV	Fair Value as of August 31, 2025
U.S. Treasury Securities	\$14,701,368.83	\$ -	\$ -	\$ -	\$ -	\$14,701,368.83
U.S. Treasury Strips	243,912.92					243,912.92
U.S. Treasury TIPS	148,077.56					148,077.56
U.S. Government Agency Obligations		15,360,884.24				15,360,884.24
Corporate Obligations		22,812,625.37	3,787,678.55			26,600,303.92
Corporate Asset and Mortgage-Backed Securities		9,942,632.57				9,942,632.57
Equity (Domestic)	46,606,020.23					46,606,020.23
International Obligations (Govt and Corp)		9,639,101.10	161,614.96			9,800,716.06
International Equity	24,569,610.03					24,569,610.03
Fixed Income Money Market and Bond Mutual Funds	3,761,270.47				34,679,358.20	38,440,628.67
Other Commingled Funds - Fixed Income	2,237,821.65				83,590,444.84	85,828,266.49
Other Commingled Funds (TexPool)				185,507,003.17		185,507,003.17
International Other Commingled Funds - Equity	27,539,391.19		12,146,758.10			39,686,149.29
Miscellaneous		609,536.91			65,693,603.08	66,303,139.99
Cash in State Treasury					12,842,135.56	12,842,135.56
Total Investments	\$119,807,472.88	\$ 58,364,780.19	\$ 16,096,051.61	\$185,507,003.17	\$196,805,541.68	\$576,580,849.53

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Investments

As of August 31, 2025, the fair value of investments managed by the Texas A&M University System were:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV	Total
U.S. Treasury Securities	\$ 14,701,368.83	\$ -	\$ -	\$ -	\$ 14,701,368.83
U.S. Treasury Strips	243,912.92				243,912.92
U.S. Treasury TIPS	148,077.56				148,077.56
U.S. Government Agency Obligations		15,360,884.24			15,360,884.24
Corporate Obligations		22,812,625.37	3,787,678.55		26,600,303.92
Corporate Asset and Mortgage-Backed Securities		9,942,632.57			9,942,632.57
Equity (Domestic)	46,606,020.23				46,606,020.23
International Obligations (Govt and Corp)		9,639,101.10	161,614.96		9,800,716.06
International Equity	24,569,610.03				24,569,610.03
Fixed Income Money Market and Bond Mutual Funds	3,761,270.47				3,761,270.47
Other Commingled Funds - Fixed Income	2,237,821.65				2,237,821.65
International Other Commingled Funds - Equity	27,539,391.19		12,146,758.10		39,686,149.29
Hedge Funds - Domestic				38,444,260.27	38,444,260.27
Hedge Funds - International				22,198,094.81	22,198,094.81
Limited Partnerships - Private Equity				1,491,104.91	1,491,104.91
Limited Partnerships - International Private Equity				1,192,246.11	1,192,246.11
Limited Partnerships - Real Estate				610,578.88	610,578.88
Limited Partnerships - International Real Estate				312,808.40	312,808.40
Limited Partnerships - Natural Resources				967,049.66	967,049.66
Limited Partnerships - International Natural Resources				477,460.04	477,460.04
Political Subdivisions		609,536.91			609,536.91
Total Investments	\$ 119,807,472.88	\$ 58,364,780.19	\$ 16,096,051.61	\$ 65,693,603.08	\$ 259,961,907.76

**Table provided by the Texas A&M University System.*

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Investments

As of August 31, 2025, the investment type and valuation for the investments managed by the Texas A&M University System were:

Foreign Currency Presented as Cash	\$ 8,569.87
Cash	151,102.32
Receivables	
Interest/Dividends Receivable	841,630.12
Foreign Currency Fluctuations - Receivable	3,085.20
FFX Contract Receivable	3,292.50
Pending Sale	130,563.97
Payables	
Payable for Manager Fees	(97,758.91)
Other Payable - Miscellaneous	(59,788.03)
Foreign Currency Fluctuations - Payable	(0.06)
FFX Contract Payable	(3,292.50)
Pending Purchase	(316,789.73)
Other Payables	(1,336.72)
Rounding Due to Allocation	(15.06)
Total Cash and Accruals	<u>\$ 659,262.97</u>
Investments (Detailed above by Investment Type)	<u>259,961,907.76</u>
Net Asset Value	<u><u>\$ 260,621,170.73</u></u>

**Table provided by the Texas A&M University System.*

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Investments Reported at Net Asset Value

The table below reflects the notification and liquidity parameters applicable to the Texas A&M University System Cash Concentration Pool (CCP) and System Endowment Fund (SEF). Texas Woman's University System has elected to invest in both the CCP and the SEF. By agreement, TWU System may withdraw funds from the Cash Concentration Pool on the first day of each month with notice of at least one day. In the event of full liquidation, TWU System may withdraw 33% with 30-day notice, 50% of remaining assets with 60-day notice and 100% of the remaining assets with 90-day notice. All withdrawals are effective on the first day of the following month. Investments in the System Endowment Fund are not subject to withdrawal except in the event of termination of the agreement and full liquidation. The liquidation schedule for the System Endowment Fund is 33% of the assets with notice of 90 days from the end of the current fiscal quarter, 50% of the remaining assets at the end of the second quarter after notice and 100% of the remaining asset at the end of the third quarter after notice.

Investments Reported at Net Asset Value	Fair Value	Frequency Range - Low	Frequency Range - High	Notice Period Range - Low	Notice Period Range - High	Unfunded Commitment
Hedge Funds (Domestic)	38,444,260.27	Quarterly	Semi-Annually	65 days	1.75 years	-
Hedge Funds (International)	22,198,094.81	Quarterly	Semi-Annually	65 days	1.75 years	-
Limited Partnerships - Private Equity	1,491,104.91	N/A	N/A	N/A	N/A	984,588.00
Limited Partnerships - International Private Equity	1,192,246.11	N/A	N/A	N/A	N/A	988,001.00
Limited Partnerships - Real Estate	610,578.88	N/A	N/A	N/A	N/A	276,075.00
Limited Partnerships - International Real Estate	312,808.40	N/A	N/A	N/A	N/A	65,718.00
Limited Partnerships - Natural Resources	967,049.66	N/A	N/A	N/A	N/A	858,513.00
Limited Partnerships - International Natural Resources	477,460.04	N/A	N/A	N/A	N/A	168,281.00
Total	\$ 65,693,603.08					\$ 3,341,176.00

**Table provided by the Texas A&M University System.*

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2025, Texas Woman’s University System’s credit quality distribution for securities with credit risk exposure was as follows:

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB
05	9999	U.S. Government Agency Obligations	\$	\$14,974,436.65	\$ -	\$ 305,658.71
05	9999	Corporate Obligations	92,356.69	114,813.40	3,960,890.13	13,325,167.24
05	9999	Corporate Asset and Mortgage-Backed Securities	4,810,319.08	1,213,575.50	729,830.38	853,874.76
05	9999	International Obligations	163,814.89	74,094.88	1,308,754.69	6,120,209.67
05	9999	Fixed Income Money Market and Bond Mutual Fund	3,761,270.47	-	-	-
05	9999	Other Commingled Funds - Fixed Income	-	-	-	-
05	9999	Miscellaneous (municipals and CDs)	128,462.55	163,163.02	217,304.50	
05	9999	Total	\$ 8,956,223.68	\$ 16,540,083.45	\$ 6,216,779.70	\$ 20,604.910.38

Fund Type	GAAP Fund	Investment Type	BB	B	CCC	Unrated
05	9999	U.S. Government Agency Obligations	\$	\$	\$ -	\$ 80,788.88
05	9999	Corporate Obligations	5,690,019.36	3,269,226.94	39,298.69	108,531.47
05	9999	Corporate Asset and Mortgage-Backed Securities	122,004.20	-	-	2,213,028.65
05	9999	International Obligations	1,356,405.60	288,684.14	-	488,752.19
05	9999	Fixed Income Money Market and Bond Mutual Fund	-	-	-	-
05	9999	Other Commingled Funds - Fixed Income	-	-	-	2,237,821.65
05	9999	Miscellaneous (municipals and CDs)				100,606.84
05	9999	Total	\$ 7,168,429.16	\$ 3,557,911.08	\$ 39,298.69	\$ 5,229,529.68

*Table provided by the Texas A&M University System.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, Texas Woman’s University System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. TWU System’s investment policy limits holding of securities by counterparties to those involved with securities lending.

As of August 31, 2025, TWU System did not have investments that are exposed to custodial credit risk.

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Foreign Currency Risk

Foreign currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company.

As of August 31, 2025, Texas Woman’s University System investments were exposed to foreign currency risks as follows:

Investments Exposed to Foreign Currency Risk									
Fund Type	GAAP Fund	Foreign Currency	International Obligation (Govt and Corp and MF)	International Equity	Equity Commingled Funds - International	International Hudge Funds	International Other Private Equity	International Energy, Natural Resources	International Other Real Estate Funds
05	9999	U.S. Dollar Denominated Foreign Securities	\$ 9,800,716.06	\$ 10,202,900.16	\$ 39,686,149.29	\$ 22,198,094.81	\$ 1,042,891.57	\$ 477,460.04	\$ 312,808.40
05	9999	Brazil Real		282,199.04					
05	9999	British Pound Sterling		1,950,445.73			118,403.38		
05	9999	Euro Currency Unit		7,025,435.61			30,951.16		
05	9999	Indonesian Rupiah		140,354.23					
05	9999	Japanese Yen		2,323,627.59					
05	9999	Mexican Peso		484,238.72					
05	9999	Norwegian Krone		136,963.39					
05	9999	South African Rand		93,429.65					
05	9999	South Korean Won		565,044.81					
05	9999	Swedish Krona		288,369.74					
05	9999	Swiss Franc		1,076,601.36					
		Total	\$9,800,716.06	\$24,569,610.03	\$39,686,149.29	\$22,198,094.81	\$ 1,192,246.11	\$ 477,460.04	\$ 312,808.40

**Tables provided by the Texas A&M University System.*

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 3: Deposits, Investments & Repurchase Agreements

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. As of August 31, 2025, Texas Woman's University System's investments were exposed to interest rate risks as follows:

Investments Exposed to Interest Rate Risk		
Investment Types	Effective Duration	Fair Value
U.S. Treasury Securities	8.605	\$ 14,701,368.83
U.S. Treasury Strip	27.775	243,912.92
U.S. Treasury TIPS	20.575	148,077.56
U.S. Government Agency Obligations	5.409	15,360,884.24
Corporate Obligations	3.427	26,600,303.92
Corporate Asset and Mortgage-Backed Securities	2.579	9,942,632.57
International Obligations	4.078	9,800,716.06
Other Commingled Funds - Fixed Income	6.090	2,237,821.65
Miscellaneous		
Political Subdivision	5.272	609,536.91
Total Fair Value		\$ 79,645,254.66

Derivative Investing

Texas Woman's University System invests funds in The Texas A&M University System's (A&M System) investment pools. During fiscal year 2025, the A&M System entered into forward currency contracts for the purpose of hedging international currency risk on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the A&M System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on a certain future date. These contracts are valued daily and the A&M System's net equity in the contracts, representing unrealized gain or loss on the contracts, as measured by the differences between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date is recognized on the Statement of Revenues, Expenses, and Changes in Net Position as investment income or loss. The unrealized gain on open foreign currency exchange contracts is reported as an investment derivative and the unrealized loss is included with trade payables. The foreign currency forwards are traded over the counter and categorized as Level 2 of the fair value hierarchy.

As of August 31, 2025, the A&M System did not hold any open foreign currency contract derivatives.

The A&M System has also invested in Treasury futures. The instruments are used only for the purpose of managing interest rate risk in the fixed income portfolios.

As of August 31, 2025, there were no open Treasury futures.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 4: Short-Term Debt

Texas Woman's University System has no short-term-debt.

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2025, the following changes occurred in liabilities.

	Balance 9/1/2024	Additions	Reductions	Other Changes	Balance 8/31/2025	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	\$238,191,917.10		\$13,410,000.00	\$2,424,698.80	\$222,357,218.30	\$16,268,933.95	\$206,088,284.35
Direct Placement Bonds	15,035,000.00		3,655,000.00		11,380,000.00	3,725,000.00	7,655,000.00
Compensable Leave	5,592,528.88	3,274,906.33	3,394,197.36		5,473,237.85	3,274,906.33	2,198,331.52
Sick Leave		123,479.58			123,479.58	123,479.58	
Net Pension Liability	48,440,962.00		6,578,147.00		41,862,815.00		41,862,815.00
OPEB Obligation Liability	94,475,073.00	20,182,840.00	17,598,603.00		97,059,310.00	4,571,906.00	92,487,404.00
Totals	\$401,735,480.98	\$23,581,225.91	\$44,635,947.36	\$2,424,698.80	\$378,256,060.73	\$27,964,225.86	\$350,291,834.87

Employees’ Compensable Leave

A State employee is entitled to be paid for all unused vacation time accrued, in the event of the employee’s resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months.

Full-time State employees earn annual leave from eight to twenty-one hours per month depending on the respective employees’ years of State employment. The State’s policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of State service. Employees with at least six months of State service, who terminate their employment, are entitled to payment for all accumulated annual leave up to the maximum allowed. Texas Woman's University System recognizes the accrued liability for unpaid annual leave. For the year ended August 31, 2025, the accrued liability totaled \$5,596,717.43.

Texas Woman's University System made lump sum payments totaling \$505,489.16 for accrued vacation (and/or compensatory time) to employees who separated from State service during fiscal year ending August 31, 2025.

Employees’ Sick Leave

Employees accrue sick leave from the first day of employment through the last day of duty (the last day the employee actually worked). A full-time employee accrues eight hours of sick leave on the first day of each month worked. There is no limitation on the amount to be carried forward into the next fiscal year. Once state employment is terminated, the employee is not entitled to payment for any sick leave accrued.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 5: Long-Term Liabilities

According to GASB 101, agencies are required to accrue for sick leave that has accumulated and is likely to be used, even though the employee will never be eligible for a termination payment related to unused sick leave. For financial accounting and reporting purposes, sick leave taken first comes out of hours earned in the current fiscal year, Last-In First-Out (LIFO) flows assumption, with calculations made at fiscal year-end.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in Schedule 2-A Miscellaneous Bond Information, Schedule 2-B Changes in Bonded Indebtedness, Schedule 2-C Summary of Debt Service Requirements, and Schedule 2-D Analysis of Funds Available for Debt Service.

General information related to revenue bonds outstanding as of August 31, 2025, is summarized below:

Revenue Financing System Refunding Bonds, Series 2014

To provide funds for the purpose of refunding certain outstanding obligations of the Board (Series 2004) to realize a net present value debt service savings and to pay certain costs of issuing of the bonds.

- Issued 04/15/14
- \$12,370,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2016

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of constructing and equipping a parking garage on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 08/23/16
- \$19,160,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2017 A&B

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of constructing and equipping a new student union and science/technology building on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 05/25/17
- \$83,155,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 6: Bonded Indebtedness

Revenue Financing System Bonds, Series 2018

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of constructing and equipping a new science/technology building on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 04/15/18
- \$12,375,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Refunding Bonds, Forward Delivery Series 2018

To provide funds for the purpose of refunding certain outstanding obligations of the Board (Series 2008 and Series 2009) to realize a net present value debt service savings and to pay certain costs of issuing the bonds.

- Issued 06/01/18
- \$25,625,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

Revenue Financing System Refunding Bonds, Series 2019

To provide funds for the purpose of refunding certain outstanding obligations of the Board (Series 2009A) to realize a net present value debt service savings and to pay certain costs of issuing the bonds.

- Issued 07/09/19
- \$7,885,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2021A

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of improvements to the steam utility line serving dormitories and other classroom buildings on the Denton campus, to renovate and improve the dental hygiene classroom building on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 04/14/21
- \$15,135,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 6: Bonded Indebtedness

Revenue Financing System Bonds, Series 2021B

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of video boards, Quakertown memorial and trails on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 09/01/21
- \$7,000,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2022

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of repairs and improvements to Brackenridge Hall on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 04/05/22
- \$36,700,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2022A

To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for TWU System, specifically, without limitation, to pay costs of constructing and equipping a new Health Sciences Center on the Denton campus and to pay certain costs of issuing the bonds.

- Issued 10/06/22
- \$93,200,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a Capital Construction Assistance Program (CCAP) appropriation

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 6: Bonded Indebtedness

Revenue Pledged for Debt Service

Pledged Future Revenues

Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	\$ 317,426,658.62
Term of Commitment Year Ending 08/31	2042
Percentage of Revenue Pledged	100%
Current Year Pledged Revenue	\$ 466,580,561.44
Current Year Principal and Interest Paid	\$ 27,755,904.22

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 7: Derivative Disclosures

Texas Woman's University System invests funds in The Texas A&M University System's (A&M System) investment pools. The A&M System Investment Policy allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index. Investment derivatives are used to manage transactions, interest rate, or currency exchange risk in purchasing, selling or holding investments.

At the fiscal year-end the A&M System did not have any exchange traded future contracts.

Investment Derivatives

Investment derivatives expose the A&M System to certain investment-related risks. More details about investment derivatives is disclosed in Note 3.

Hedging Derivatives

The A&M System did not enter into hedging derivatives in fiscal year 2025.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 8: Leases

Financing Leases

Texas Woman's University System has no long-term leases with net present values exceeding the State Comptroller's materiality threshold of \$100,000 at the unit value.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Teacher Retirement System Plan

Teacher Retirement System is the administrator of the TRS Plan; a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation.

The employers of the TRS Plan include the State of Texas, TRS, the State's public schools, education service centers, charter schools, and community and junior colleges. All employees of public, State-supported education institutions in Texas who are employed for one-half or more of the standard workload and not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system. Employees of TRS and State of Texas colleges, universities and medical schools are members of the TRS Plan.

Detailed information about the TRS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information, located at www.trs.texas.gov and then searching for financial and actuarial highlights.

Benefits Provided

The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005, and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments (COLAs).

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers, and active employees for the fiscal years 2019 through 2024. In addition, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

The stipend was paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- One-time stipend of \$7,500 to eligible annuitants 75 years of age or older
- One-time stipend of \$2,400 to eligible annuitants age 70 to 74

The COLA, which needed (and received) voter approval, was applied to eligible annuitant payments beginning with the January 2024 payment. The COLA was based on retirement date:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013
- 6% COLA for eligible retirees who retired on or before August 31, 2001

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Otherwise, there have been no changes to the benefit provisions of the plan since the prior measurement date.

Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the Legislature to establish a member contribution rate of not less than 6.00% of the member’s annual compensation and a state contribution rate of not less than 6.00% and not more than 10.00% of the aggregate annual compensation paid to members of the System during the year. TGC Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

During the measurement period of 2024 for fiscal 2025 reporting, the amount of Texas Woman's University System contributions recognized by the plan was \$3,862,077. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the State and the members in the measurement period are presented in the table below:

**Required Contribution Rates
Teacher Retirement System of Texas Plan**

Contributor	<u>Rate</u>
Employer	8.25%
Employees	8.25%

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2023 measurement date.

Actuarial Methods and Assumptions*

	<u>TRS Plan</u>
Actuarial Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	7.00%

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Long-term Expected Rate of Return	7.00%
Municipal Bond Rate	3.87% **
Inflation	2.30%
Salary Increase	2.95% to 8.95% including inflation
Mortality Active	PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality.
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP.
Ad Hoc Post-Employment Benefit Changes	None

** Source for the rate is the Bond Buyers 20 Index, which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders. The rate used is as of August 30, 2024, the rate closest to but not later than the Measurement Date.

Roll Forward

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024.

The actuarial assumptions used in the determination of the total pension liability were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2021, and adopted in July 2022.

Changes of Assumptions Since the Prior Measurement Date

The actuarial assumptions and methods are the same as used in the determination of the prior year’s Net Pension Liability.

Changes in Benefit Provisions Since the Prior Measurement Date

Due to the timing of the previously mentioned one-time stipend and ad hoc COLA, the legislation and payments were not reflected in the August 31, 2023, actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Discount Rate

The discount rate of 7.00% was applied to measure the total pension liability. The discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projected cash flows into and out of the pension plan assumed that active members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

The long-term expected rate of return on plan investments was developed using a building-block method in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan’s investment portfolio are presented below:

Asset Class	Target Allocation ²	Long-Term Expected Arithmetic Real Rate of Return ³
Global Equity		
USA	18.0%	4.4%
Non-U.S. Developed	13.0%	4.2%
Emerging Markets	9.0%	5.2%
Private Equity	14.0%	6.7%
Stable Value		
Government Bonds	16.0%	1.9%
Absolute Return ¹		4.0%
Stable Value Hedge Funds	5.0%	3.0%
Real Return		
Real Estate	15.0%	6.6%
Energy and Natural Resources and Infrastructure	6.0%	5.6%
Commodities		2.5%
Risk Parity		
Risk Parity	8.0%	4.0%
Asset Allocation Leverage		
Cash	2.0%	1.0%
Asset Allocation Leverage	(6.0) %	1.3%
Total	100%	
Notes:		
¹ Absolute Return includes Credit Sensitive Investments.		
² Target allocations are based on fiscal year 2024 policy model.		
³ Capital Market assumptions come from 2024 SAA Study CAM Survey (as of 12/31/2023)		

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Sensitivity of Sample Agency's Proportionate Share of the Net Pension Liability to the Single Discount Rate Assumption

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of Texas Woman's University System net pension liability. The result of the analysis is presented in the table below:

Sensitivity of Texas Woman's University System Proportionate Share of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 66,865,522	\$ 41,862,815	\$ 21,146,294

Pension Liabilities

The pension plan’s fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Fair value is a market-based measurement, not an entity-specific measurement. TRS utilizes one or more of the following valuation techniques in order to measure fair value: the market approach, the cost approach, and the income approach. More detailed information on the plan’s investment policy, assets, and fiduciary net position, may be obtained from TRS’ fiscal 2024 ACFR.

At August 31, 2025, Texas Woman’s University System reported a liability of \$41,862,815 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Texas Woman’s University System proportion at August 31, 2025 was 0.068532994 percent which was a decrease from the 0.0705207658 percent measured at the prior measurement date. Texas Woman’s University System proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2023 through August 31, 2024.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ending August 31, 2025, Texas Woman’s University System recognized pension expense of \$5,001,747. At August 31, 2025, Texas Woman’s University System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$0	\$0
Difference between expected and actual experience	2,307,421	326,844
Changes of assumptions	2,161,467	289,779
Change in proportion and contribution difference	478,297	2,366,636
Net difference between projected and actual investment return	10,051,565	9,797,096
Total	<u>\$ 14,998,750</u>	<u>\$12,780,355</u>

The \$14,998,750 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending August 31, 2026.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the following years:

Year ended August 31:

2026	\$ (697,655)
2027	\$3,884,597
2028	\$179,479
2029	\$(1,170,529)
2030	\$22,503
Thereafter	\$0

Optional Retirement Program

The State has also established an optional retirement program (ORP) for institutions for higher education. For eligible individuals, participation in the ORP is elective in lieu of participation in the TRS. The ORP provides for the purchase of mutual fund and annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.6% by the State and each participant, respectively. The State's contribution is comprised of 6.6% from the ORP's appropriation and 1.9% from other funding sources. The 6.6% contribution is mandatory with the 1.9% State contribution being at the discretion of the board. Texas Woman's University System Board of Regents has approved the additional contributions for employees of TWU System. The contributory percentages on salaries for participants entering the program after August 31, 1995 are 6.6% and 6.65% by the State and each participant, respectively. Since these are individual contracts, the State has no additional or unfunded liability for this program.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

The contributions made by plan members and employers for the fiscal year ended August 31, 2025 are:

Type	Amount
Member Contributions	\$ 1,396,848.00
Employer Contributions	1,357,777.00
Total	\$ 2,754,625.00

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 10: Deferred Compensation

The State of Texas Offers a deferred compensation plan to all benefits eligible State employees. The plan is in accordance with the Internal Revenue Code Section 457 and permits employees to defer a portion of their salary until future years. The deferred compensation funds are not available to employees until distribution due to termination, retirement, death, age of 59½, or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property rights purchases with those amounts and all income attributable to those amounts, property or rights, are held in trust by the Employees Retirement System (ERS) Board of Trustees for the exclusive benefit of participants and their beneficiaries and may not be used for, or diverted to, any other expense, except to defray the reasonable expenses of administering the plan.

The Board of Trustees is not liable to participating employees for the diminution in value or loss of all or part of the participating employees' deferred amounts or investment income because of market conditions or the failure, insolvency, or bankruptcy of a qualified vendor.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 12: Interfund Activity and Transactions

Texas Woman's University System experienced routine transfers with other State agencies that were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

The detailed State Grant Pass Through information is listed on Schedule 1B – Schedule of State Grant Pass Through From/To State Agencies.

Individual balances and activity at August 31, 2025, follows:

GENERAL (01)	Legislative Transfer In	Legislative Transfer Out
Appd Fund 0001, D23 Fund 0001	\$1,177,957.00	-
(Agency 902, D23 Fund 0001)	-	-
Total Legislative Transfers	\$ 1,177,957.00	-

PROPRIETARY (02)	Due From Other Agencies	Due To Other Agencies	Source
Appd Fund 0001, D23 Fund 0001			
(Agency 781, D23 Fund 0001)		\$ 2,334,267.10	State P-T
Appd Fund 0325, D23 Fund 0325			
(Agency 781, D23 Fund 0325)			Federal P-T
Appd Fund 9999, D23 Fund 7999			
(Agency 320, D23 Fund 5026)	\$ 39,357.34		Federal P-T
(Agency 730, D23 Fund 7999)	\$1,410.68		Federal P-T
(Agency 744, D23 Fund 7999)	\$6,596.24		Federal P-T
(Agency 752, D23 Fund 7999)	\$53,279.78		Federal P-T
(Agency 714, D23 Fund 7999)	\$4,169.95		Federal P-T
(Agency 781, D23 Fund 0001)		\$701,706.96	State P-T
(Agency 781, D23 Fund 0001)	\$204,218.57		State P-T
Total Due From/To Other Agencies	\$ 309,032.56	\$3,035,974.06	

PROPRIETARY (02)	Transfers In	Transfers Out	Purpose
Appd Fund 0210, D23 Fund 0210			
(Agency 902, D23 Fund 0210)	\$ 118,057.00		Intrafund Transfer
Appd Fund 0253, D23 Fund 0253			
(Agency 781, D23 Fund 0001)		\$32,688.21	Intrafund Transfer
Total Transfers	\$ 118,057.00	\$ 32,688.21	

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 14: Adjustments to Fund Balances and Net Position

Business Type Activities:

	<u>Total</u>
Net Position at September 1, 2024 as Previously Reported	\$ 549,633,457.20
Restatements	<u>(442,699.36)</u>
Net Position at September 1, 2024 as Restated	<u><u>\$ 549,190,757.84</u></u>

Fiduciary Funds:

	<u>Total</u>
Net Position Beginning September 1, 2024	\$ 4,232,743.99
Restatements	<u></u>
Net Position Beginning September 1, 2024 as Restated	<u><u>\$ 4,232,743.99</u></u>

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 15: Contingencies and Commitments

As of August 31, 2025, there were no material pending lawsuits or claims involving Texas Woman's University System. Any claims incurred but not asserted against TWU System cannot be reasonably estimated at this time, and any such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on TWU System.

As a component of TWU System, Texas Woman's University has received several grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

Texas Woman's University System has no investment commitments.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 16: Subsequent Events

Bond Debt Financing

Texas Woman's University System plans to issue \$85,000,000 in new Revenue Financing System Bonds and \$16,285,000 in Refunding Bonds on April 23, 2026, as presented in the table below.

Bond Issuance	Series	Amount	Date of Issuance	Purpose
Revenue Financing System Revenue Bonds	Series 2026	\$85,000,000	4/23/26	To finance the construction of the Business Building and Athletic Complex on the Denton campus
Refunding Bonds	Series 2026	\$16,285,000	4/23/26	The refinance of Series 2014 and Series 2016 Outstanding Revenue Debt

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 17: Risk Management

The State of Texas utilizes an allocation program that funds both workers' compensation benefits and risk management costs through annual assessments which participating agencies pay to the State Office of Risk Management (SORM). Workers' compensation coverage for employees outside of Texas is purchased from Accident Fund through Arthur J. Gallagher.

The Texas Woman's University System (TWU System) is required, by certain bond covenants, to carry fire and extended coverage along with boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise or other non-educational and general funds. This insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. This coverage is also purchased for buildings that are not financed with bonds. TWU System participates in the State Property Insurance Program through SORM. The total limit of liability for property insurance is \$500,000,000 and was brokered through Arthur J. Gallagher.

Texas Woman's University System carries a commercial general liability policy through United Educators Insurance which provides insurance protection to pay for third-party bodily injury or property damages. This policy also provides coverage for liabilities arising from personal injury and advertising injury. The general total limit of coverage is \$900,000 (after \$100,000 self-insured retention) for each occurrence and \$3,600,000 general aggregate which provides coverage for claims which TWU System is liable under the Texas Tort Claims Act.

TWU System has chosen to carry liability insurance on its licensed vehicles and utility carts, and collision and comprehensive coverage for some of its higher value and higher risk vehicles, in the amount of \$1,000,000 combined single limit (where Tort Act limits do not apply) with \$250,000 per person/\$500,000 per accident in bodily injury coverage and \$100,000 for property coverage. This coverage is provided by American Southern Insurance Company. TWU System has the same coverage for non-owned vehicles.

A medical professional liability policy is carried to cover medical professionals working for TWU System, specifically employees of the Student Health Services Clinic, the Counseling & Family Therapy Clinic, the Dental Hygiene Clinic, the Speech, Language, and Hearing Clinic, the Counseling & Psychological Services Center, the Stroke Center, the Institute for Women's Health, and the Kinesiology department labs. This policy is insured by Columbia Casualty Company and has a \$1,000,000 limit for each occurrence and a \$3,000,000 aggregate limit. TWU System also has a separate policy covering Student Blanket Professional Liability with the same limits from Columbia Casualty.

TWU System purchases a combined directors and officers legal liability and employment practices liability insurance from United Educators Insurance through SORM, with an aggregate limit of liability of \$5,000,000.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 17: Risk Management

Texas Woman's University System carries crime coverage through Travelers Casualty and Surety Company of America. Limits include, but are not limited to:

- \$1,000,000 - Employee Theft
- \$1,000,000 - Forgery and Alteration
- \$1,000,000 - Computer Fraud
- \$1,000,000 - Funds Transfer Fraud

TWU System also maintains cyber insurance from Homeland Insurance Company of New York/Resilience with a \$5,000,000 aggregate limit.

There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. A total of \$6,416.44 in claims, or expenses, were reported on the financial statements for the fiscal year ended August 31, 2025.

Changes in the balances of the agency's claims liabilities during fiscal 2024 and 2025 were:

Fiscal Year	Beginning Balance	Increases	Decreases	Ending Balance
2025	\$0	\$6,416.44	(\$6,416.44)	\$0
2024	\$0	\$12,975.00	(\$12,975.00)	\$0

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 18: Management's Discussion and Analysis

This note is not used. Texas Woman's University System Management's Discussion and Analysis is included as a separate section of the report.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 19: The Financial Reporting Entity

TWU System is composed of Texas Woman's University System and Texas Woman's University - an academic institution. TWU System is governed by a nine-member Board of Regents at least four of whom shall be women, appointed by the Governor with the consent of the Texas State Senate. The members hold office for staggered terms of six years, with the terms of three members expiring February 1 of odd-numbered years. The Governor also appoints a tenth non-voting student regent for a one-year term.

TWU System is an Enterprise Fund reported in the State of Texas' Annual Comprehensive Financial Report as a Proprietary Fund Type. Texas Woman's University System is considered a component unit of the State of Texas, and its financial information is included in the audited Annual Financial Report of the State of Texas. TWU System's financial statements are not independently audited.

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 22: Donor Restricted Endowments

Texas Woman's University System is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Property Code Chapter 163. UPMIFA allows TWU System to distribute net appreciation on donor restricted endowment investments to the extent prudent. This includes cumulative realized and unrealized appreciation in the fair market value of the endowment assets in excess of historical dollar value of the gifts.

Texas Woman's University System has contracted with the Texas A&M University System to manage TWU System’s endowment funds. Per Section 51.0031 of the Texas Education Code, universities can choose to invest endowment funds with a qualifying institution to be invested and distributed in accordance with the qualifying institution’s investment policy.

The net appreciation (cumulative and unexpended) on donor-restricted endowments available for authorization of expenditure by Texas Woman’s University System for the fiscal year ended August 31, 2025, is as follows:

<i>Donor- Restricted Endowments</i>	Amounts of Net Appreciation*	Reported in Net Assets
<i>True Endowments</i>	\$5,874,736.34	Restricted for Other
<i>Term Endowments</i>	\$0.00	None

**There was a positive fair value adjustment totaling \$193,390.26 for fiscal year 2025.*

Changes from Prior Year Balances

<i>Endowment Funds</i>	Increase / (Decrease)	Reason for Change
<i>Expendable Balances</i>		
<i>True Endowments</i>	\$193,390.26	Fair value increase in portfolio
<i>Term Endowments</i>	\$0.00	None
<i>Non-Expendable Balances</i>		
<i>True Endowments</i>	\$66,649.25	Donor gifts and bequests
<i>Term Endowments</i>	\$0.00	None

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 24: Disaggregation of Receivable and Payable Balances

Net other receivables at 08/31/25, are detailed by type as follows:

Net Other Receivables Current	Amount
Receivables related to gifts, grants and sponsored programs	\$ 6,451,149.40
Receivable from state for items paid locally	<u>7,800,304.89</u>
Total Net Other Receivables – Current	14,251,454.29

Net Other Receivables Non-Current	Amount
Receivables related to public-private partnership asset	<u>\$ 59,781,118.24</u>
Total Net Other Receivables – Non-Current	59,781,118.24
Total Net Other Receivables	<u><u>\$ 74,032,572.53</u></u>

Net other payables at 08/31/25, are detailed by type as follows:

Net Other Payables	Amount
Payables related to students	<u>\$ 17,017,579.60</u>
Total Net Other Payables	<u><u>\$ 17,017,579.60</u></u>

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TEXAS WOMAN’S UNIVERSITY SYSTEM

Note 27: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Texas Woman's University System implemented GASB statement 94, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs), in fiscal year of 2025. The Statement provides uniform guidance for governments to report assets and liabilities related to PPP contracts on a consistent basis and disclose important information about PPP transactions. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments who enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs.

Texas Woman's University System has one PPP arrangement related to student housing. Following a comprehensive review and examination, TWU System has identified one qualifying PPP arrangement in scope for GASB 94. As of August 31, 2025, a general description of the arrangement, including status, term, and duration, is presented in the following table:

Public-Private and Public-Public Partnerships

Arrangement Name	Partner Name	Construction Status	Term of Concession	Contract Begin	Contract End
Texas Woman's University Housing Facility	CHF-Collegiate Housing Denton, LLC	Complete	40 Years	2018	2058

Variable payments are a result of the underlying PPP measured not in a fixed rate, but rather variable due to underlying payments derived from profit-sharing arrangements, usage of the underlying PPP asset, or changes in an index or rate. An estimated total of \$1,973,289.00 was recognized as revenue from these variable payments for the year ended August 31, 2025.

Receivables related to the underlying PPP Assets purchased or constructed and placed into service by the operator totaled \$59,781,118.24. The ownership of the underlying assets of the PPP has not yet been transferred to Texas Woman’s University System. Deferred Inflow of Resources corresponding to the Receivable for Transfer of Underlying PPP Asset were \$59,781,118.24 for the year ended August 31, 2025.

PPP amounts reported as of August 31, 2025, are presented in the following table:

Public-Private and Public-Public Partnership Amounts Recognized in Financial Statements Governmental Activities

Arrangement Name	Receivable for Installment Payments	Receivable for PPP Assets*	Deferred Inflows of Resources	Variable and Other Payments**
Texas Woman's University Housing Facility	\$ -	\$ 59,781,118.24	\$ 59,781,118.24	\$ 1,973,289.00

*PPP asset receivable is recorded at the operator’s estimated carrying value of the asset when ownership is transferred.

** Payments not included in the measurement of the receivable for installment payments.

Texas Woman’s University System has no Availability Payment Arrangements to report as of August 31, 2025.

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TEXAS WOMAN'S UNIVERSITY SYSTEM

Note 28: Deferred Outflows and Deferred Inflows of Resources

A summary of Texas Woman's University System deferred outflows of resources and deferred inflows of resources as of August 31, 2025 is as follows:

	<u>Total</u>
Deferred Outflows of Resources	
Unamortized Losses of Refunding of Debt	\$ 123,674.88
Deferred Outflows of Resources Related to Pension	9,063,826.00
Deferred Outflows of Resources Related to OPEB	7,123,582.00
Total Deferred Outflows of Resources	<u><u>\$ 16,311,082.88</u></u>
Deferred Inflows of Resources	
Deferred Inflows of Resources Related to Pension	\$ 2,983,259.00
Deferred Inflows of Resources Related to OPEB	30,840,160.00
Deferred Inflows of Resources Related to PPP	59,781,118.24
Total Deferred Inflows of Resources	<u><u>\$ 93,604,537.24</u></u>

APPENDIX C
SUMMARY OF CERTAIN
PROVISIONS OF THE MASTER RESOLUTION

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

Definitions. As used in the Master Resolution the following terms and expressions have the meanings set forth below, unless the text of the Master Resolution specifically indicates otherwise:

“*2004 Master Resolution*” the “Master Resolution Establishing the Revenue Financing System Under the Authority and Responsibility of the Board of Regents of Texas Woman’s University” adopted by the Board on February 20, 2004, which was amended and restated by the Master Resolution.

“*Annual Debt Service Requirements*” means, for any Fiscal Year with respect to all Parity Obligations (a) the amount of principal and interest paid or payable with respect to such Parity Obligations in the annual period; plus (b) any obligations of the Board to repay any amounts drawn under a Credit Agreement securing any Parity Obligations, and to pay interest on such drawn amounts pursuant to such Credit Agreement paid or payable by the Board in such Fiscal Year (but only to the extent not duplicative of principal and interest paid or payable under (a) above); and minus (c) all amounts that are deposited to the credit of a debt service fund for the payment of interest on Parity Obligations from original proceeds from the sale of such Parity Obligations or from any other lawfully available source (other than Revenue Funds), and that are used or scheduled to be used to pay interest on such Parity Obligations during any Fiscal Year. The following assumptions shall be used to determine the Annual Debt Service Requirements becoming due in any Fiscal Year:

(1) in determining the principal amount paid or payable with respect to Parity Obligations in each annual period, payment shall be assumed to be made in accordance with any amortization schedule established for such Parity Obligations, including amounts paid or payable pursuant to any mandatory redemption schedule for such Parity Obligations;

(2) if any of the Parity Obligations or proposed Parity Obligations constitute Balloon Debt or mature or are repayable in less than 365 days (“*Short-Term Debt*”), then such amounts thereof as constitute Balloon Debt or Short-Term Debt shall be treated as if such Parity Obligations are to be amortized in substantially equal annual installments of principal and interest over the useful life of the improvements financed with the proceeds of such Balloon Debt as calculated by, and set forth in an Officer’s Certificate delivered to the Board. Anything to the contrary herein notwithstanding, during the annual period preceding the final maturity date of Balloon Debt and, in the case of Short-Term Debt in each annual period, all of the principal thereof shall be considered to be due on the maturity or due date of such Balloon Debt or Short-Term Debt unless the Board provides to the Trustee, prior to the beginning of such annual period, a certificate of a Designated Financial Officer certifying that, in such officer’s judgment, the Board will be able to refund such Balloon Debt or Short-Term Debt through the issuance of long-term debt, in which event the Balloon Debt or Short-Term Debt shall be amortized over the term of such proposed refunding Parity Obligations and shall be deemed to bear the interest rate specified in the certificate of the Designated Financial Officer;

(3) as to any annual period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Parity Obligations that were Outstanding as of the first day of such period; and as to any future annual period such requirements shall be calculated solely on the basis of Parity Obligations Outstanding as of the date of calculation plus any Parity Obligations then proposed to be issued; and

(4) if any of the Parity Obligations or proposed Parity Obligations shall bear interest that fluctuates from time to time subsequent to the time of the issuance or incurrence thereof (a “*Variable Rate*”), then, subject to the following proviso, interest in future periods shall be based on either (1) the average interest rate on such Debt for the most recently completed sixty (60) month period or the period such Parity Obligations has been Outstanding if it is less than sixty (60) months, or (2) assuming the Outstanding Parity Obligations were being issued at a Variable Rate on the date of calculation, the greater of the (i) the average of the Bond Market Association Swap Index (“*BMA Index*”) for the twelve month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the BMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points, shall be presumed to apply for all future dates; provided that if the BMA Index shall cease to be published, the index to be used in its place shall be that index which the Board, in consultation with its financial advisor, determines most closely replicates such index, as set forth in an Officer’s Certificate delivered to the Board. Notwithstanding the foregoing, in no event shall the Variable Rate be in excess of the maximum

interest rate allowed by law on obligations of the Board. If two Series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

“Annual Direct Obligation” means the amount budgeted each Fiscal Year by the Board with respect to each Participant in the Financing System (currently the University, TWU-Dallas and TWU-Houston) to satisfy said Participant’s proportion of debt service (calculated based on said Participant’s Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

“Annual Obligation” means, with respect to each Participant in the Financing System (currently the University, TWU-Dallas and TWU-Houston) and for each Fiscal Year, said Participant’s Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

“Balloon Debt” means Debt in which the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year.

“Board” and “Issuer” mean the Board of Regents of the Texas Woman’s University System, acting as the governing body of the University System, or any successor thereto.

“Bond Counsel” means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

“Credit Agreement” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

“Credit Provider” means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

“Debt” means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the “Debt” of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

“*Defeasance Securities*” means, at the time a Supplement is adopted, those securities authorized by law as eligible investments for establishing an escrow under Chapter 1207, Texas Government Code. As of the date the Master Resolution was adopted by the Board, “Defeasance Securities” are defined to mean (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Board provides for the funding of an escrow to effect the defeasance of Parity Obligations, are rated as to investment quality by a nationally-recognized investment rating firm not less than “AAA” or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Board provides for the funding of an escrow to effect the defeasance of Parity Obligations, are rated as to investment quality by a nationally- recognized investment rating firm not less than “AAA” or its equivalent.

“*Designated Financial Officer*” shall mean the Vice President for Finance and Administration of the University, or such other official of the University or the University System so designated by the Board.

“*Direct Obligation*” means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System (currently the University, TWU-Dallas and TWU-Houston).

“*Federal Securities*” means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

“*Fiscal Year*” means the fiscal year of the Board which currently ends on August 31 of each year.

“*Funded Debt*” means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

“*Holder*” or “*Bondholder*” or “*Owner*” means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

“*Maturity*” when used with respect to any Debt means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

“*Non-Recourse Debt*” means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

“*Officer's Certificate*” means a certificate executed by a Designated Financial Officer.

“*Opinion of Counsel*” means a written opinion of counsel, which counsel shall be acceptable to the Board.

“*Outstanding*” when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under the Master Resolution and any Supplement, except:

- (1) Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;
- (2) Parity Obligations deemed paid pursuant to the provisions of the Master Resolution or any comparable section of any Supplement;
- (3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to the Master Resolution and any Supplement; and
- (4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

“*Outstanding Principal Amount*” means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of this Master Resolution or any Supplement.

“*Parity Obligations*” means all Debt of the Board which may be issued or assumed in accordance with the terms of the Master Resolution and a Supplement, secured by a pledge of the Pledged Revenues, subject only to the liens securing Prior Encumbered Obligations.

“*Participant in the Financing System*” and “*Participant*” means each of the agencies, institutions and branches of the University System, and such agencies, institutions and branches hereafter designated by the Board to be a participant in the Financing System. Currently, the only Participants in the Financing System are the University, TWU-Dallas and TWU-Houston.

“*Paying Agent*” shall mean each entity designated in a Supplement as the place of payment of a series or issue of Parity Obligations.

“*Pledged Revenues*” means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement: (a) amounts received by the University under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

“*Prior Encumbered Obligations*” means those bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of the Master Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue. Currently, there are no outstanding Prior Encumbered Obligations.

“*Prior Encumbered Revenues*” means the revenues pledged to the payment of Prior Encumbered Obligations and the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant of the Financing System.

“*Registrar*” shall mean the entity designated in a Supplement as the Registrar of a series or issue of Parity Obligations.

“*Resolution*” or “*Master Resolution*” means the Amended and Restated Master Resolution adopted by the Board on August 13, 2021, establishing the Financing System.

“*Revenue Financing System*” or “*Financing System*” means the “Texas Woman’s University System Revenue Financing System”, currently for the benefit of the University, TWU-Dallas and TWU-Houston, and such other institutions and agencies now or hereafter under the control or governance of the Board and made a Participant of the Revenue Financing System by specific action of the Board.

“*Revenue Funds*” means the “revenue funds” of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term “Revenue Funds” does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption of a Supplement relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, rates, fees, or other charges.

“*Seventeenth Supplement*” means the Seventeenth Supplemental Resolution to the Master Resolution, adopted by the Board on February 13, 2026.

“*Stated Maturity*” when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

“*Subordinated Debt*” means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

“*Supplement*” or “*Supplemental Resolution*” means a resolution supplemental to, and authorized and executed pursuant to the terms of, the Master Resolution.

“*Term of Issue*” means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

“*TWU-Dallas*” means the branch location of the University in Dallas, Texas.

“*TWU-Houston*” means the branch location of the University in Houston, Texas.

“*University*” means Texas Woman’s University.

“*University System*” means the Texas Woman’s University System.

Establishment of Revenue Financing System. Pursuant to the Master Resolution, the Board established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at the Participants of the University System, and any other institution, branch or entity hereafter placed under the control and governance of the Board, under authority of the pertinent provisions of the Texas Education Code. Currently, the only Participants in the Financing System are the University, TWU-Dallas and TWU-Houston.

Pledge. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations shall be secured by and payable from a lien on the Pledged Revenues, and the Board has assigned and pledged the Pledged Revenues to the payment of the principal of, premium, if any, and interest on Parity Obligations, and the Pledged Revenues are further pledged to the establishment and maintenance of any funds which may be provided to secure the repayment of Parity Obligations in accordance with the Master Resolution and any Supplement. The Board may additionally secure Parity Obligations with one or more Credit Agreements with Pledged Revenues.

Payment and Funds. The Board has covenanted in the Seventeenth Supplemental Resolution to make available to the Paying Agent/Registrar for the Bonds, on or before each payment date, money sufficient to pay any and all amounts due on the Bonds on such payment date.

The Master Resolution allows the Board to supplement the security for Parity Obligations. This could take the form of establishing one or more reserve funds or accounts to further secure any Parity Obligation. A reserve fund has not been established to secure the payment of the Bonds.

Covenants Relating to Pledged Revenues. Rate Covenant. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Participant (currently the University, TWU-Dallas and TWU-Houston) the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Financing System including all deposits or payments due on or with respect to Outstanding Parity Obligations for such Fiscal Year.

Tuition. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of the Master Resolution and any Supplement, the Board covenants and agrees to fix, levy, charge and collect at each Participant (currently the University, TWU-Dallas and TWU-Houston) student tuition charges required or authorized by law to be imposed on students enrolled thereat (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of the Supplement relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant at each regular fall and spring semester and at each term of each summer session, shall pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of the Master Resolution or any Supplement, but merely the carrying out of the provisions and requirements the Master Resolution.

Anticipated Deficit. If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Pledged Revenues, sufficient to meet all financial obligations of the Board relating to the Financing System including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, or that any Participant in the Financing System will be unable to pay its Annual Direct Obligation in full, then, in exercising the powers granted by Section 55.16, Texas Education Code, the Board shall fix, levy, charge, and collect such rentals, rates, fees, tuition, or other charges at each Participant in the Financing System (currently the University, TWU-Dallas and TWU-Houston) with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided under “*Economic Effect of Adjustments*” below), as will be at least sufficient to provide, together with other legally available funds, including Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by the Master Resolution or any Supplement.

Economic Effect of Adjustments. Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues at any Participant in the Financing System resulting from an event described under “*Anticipated Deficit*” above will be based upon a certificate and recommendation of a Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at each Participant in the Financing System (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Participant in the Financing System, which currently is the University, TWU-Dallas and TWU-Houston) which will be anticipated to result in (i) Pledged Revenues attributable to each Participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Financing System including all deposits and payments due on or in connection with Outstanding Parity Obligations when and as required by the Master Resolution and any Supplement.

Annual Obligation. If, in the judgment of the Board, any Participant in the Financing System has been or will be unable to satisfy its Annual Obligation, the Board shall fix, levy, charge, and collect rentals, rates, fees, and charges for goods and services furnished by such Participant and, with respect to Participants with enrolled students, tuition, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions described under “*Economic Effect of Adjustments*” above), together with other legally available funds, including other Pledged Revenues attributable thereto, to enable it to make its Annual Obligation payments.

Additional Participants. The Board has agreed to apply the covenants described above to any institution, branch or entity hereinafter placed under the control and governance of the Board and added as a Participant in the Financing System.

General Covenants. Lawful Title. The Board lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the University, and it will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the Financing System, whether by the addition to the Financing System of a new branch, campus or institution, or otherwise, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

Lawful Authority. The Board is lawfully qualified to pledge the Pledged Revenues in the manner prescribed in the Master Resolution and has lawfully exercised such right.

Preservation of Lien. Subject to the conditions set forth in the Master Resolution, the Board will not do or suffer any act or thing whereby the Financing System might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Financing System in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order.

No Additional Encumbrance. The Board shall not incur additional Debt secured by the Pledged Revenues in any manner, except as permitted by the Master Resolution in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of the Master Resolution and any Supplement. Notwithstanding anything to the contrary contained in the Master Resolution, and in addition to the right to refund any Prior Encumbered Obligations with Parity Obligations, the Board reserves the right to issue obligations to refund any Prior Encumbered Obligations and to secure the refunding obligations with the same source or sources securing the Prior Encumbered Obligations being refunded. Upon the defeasance of the refunded Prior Encumbered Obligations, the refunding obligations will be Prior Encumbered Obligations (unless the refunding obligations are made Parity Obligations in accordance with the terms of the Master Resolution) under the Master Resolution and any Supplement for all purposes.

Investments and Security. The Board will invest and secure money in all accounts and funds established pursuant to the Master Resolution and any Supplement in the manner prescribed by law for such funds, including, but not by way of limitation, the Public Funds Investment Act of 1987, Chapter 2256, Texas Government Code, and Section 51.0031, Texas Education Code, and in accordance with written policies adopted by the Board.

Records. The Board will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to each Participant (currently the University, TWU-Dallas and TWU-Houston). Each year while Parity Obligations are Outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of each Participant and shall furnish such report to the principal municipal bond rating agencies and any owner of Parity Obligations who shall request same. In addition, the Board shall submit such financial report and other information required by law for examination in connection with financial compliance and other audits required to be conducted by the office of the Auditor of the State of Texas.

Inspection of Books. The Board will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding Principal Amount at all reasonable times to inspect all records, accounts, and data of the Board relating to each Participant (currently the University, TWU-Dallas and TWU-Houston).

Annual and Direct Obligations. In establishing the annual budget for each Participant in the Financing System (currently the University, TWU-Dallas and TWU-Houston), the Board shall provide for the satisfaction by each Participant in the Financing System of its Annual Obligation. The Direct Obligation shall represent the financial responsibility of each Participant in the Financing System with respect to Outstanding Parity Debt. "Outstanding Parity Debt" includes Debt issued under the terms of the 2004 Master Resolution. Each such Participant's Direct Obligation and Annual Obligation shall be evidenced by a financing agreement between the Board and each Participant.

Determination of Outstanding Parity Obligations. For all purposes of the Master Resolution, the judgment of the Designated Financial Officer shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations; provided, however, such judgment is subject to confirmation by the Auditor of the State of Texas in connection with the annual audit of the records of any Participant.

Issuance of Additional Parity Obligations. Parity Obligations. The Board reserves and shall have the right and power to issue or incur Parity Obligations for any purpose authorized by law pursuant to the provisions of the Master Resolution and a Supplement to be hereafter authorized. The Board may incur, assume, guarantee, or otherwise become

liable in respect of any Parity Obligations if the Board shall have determined that it will have sufficient funds to meet the financial obligations of each Participant in the Financing System (currently the University, TWU-Dallas and TWU-Houston), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System. In addition, the Board shall not issue or incur Parity Obligations unless (i) the Board shall determine that the Participant for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) the Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of her or his knowledge, the Board is in compliance with all covenants contained in the Master Resolution and any Supplement and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation.

Participants. ***Release.*** Subject to the conditions set forth below, any Participant in the Financing System or portion thereof may be closed and abandoned by law or may be removed from the Financing System (thus deleting the revenues, income, funds and balances attributable to said Participant or portion thereof from Pledged Revenues) without violating the terms of the Master Resolution provided:

(1) the Board approves an Officers' Certificate to the effect that, to the knowledge thereof, after the release of such Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be Outstanding to meet the financial obligations of the Board under the Master Resolution, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System; and

(2) the Board receives an Opinion of Counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in the Master Resolution or any Supplement relating to such release have been complied with; and

(3) (A) if the Participant or portion thereof to be released from the Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligation; or (ii) pledge to the payment of Parity Obligation, additional resources not then pledged in an amount sufficient to satisfy such withdrawing participant's Direct Obligation; or

(B) if the Participant or portion thereof to be released from the Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must enter into a binding obligation with the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligation or to pay or discharge said Participant's Direct Obligation, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

Additional Participants. If, after the date of the adoption of the Master Resolution, the Board desires for an institution or agency governed by the Board to become a Participant of the Financing System, or if the Board is required by law to assume the governance of an institution or agency, it may include said institution or agency in the Financing System with the effect set forth in the Master Resolution by the adoption of a Supplement to the Master Resolution.

Remedies. Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Master Resolution or in any Supplement, or default in the payment of said obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or any Supplement, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State of Texas.

Amendment of Resolution. ***Amendment Without Consent.*** The Master Resolution and the rights and obligations of the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Outstanding Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in the Master Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in the Master Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Master Resolution, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of the Master Resolution;

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding the University as a Participant in the Financing System; provided, however, if the definition of Pledged Revenues is amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described below; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

Amendments With Consent. Subject to the other provisions of the Master Resolution, the owners of Outstanding Parity Obligations aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described under “*Amendment without Consent*” above, to the Master Resolution which may be deemed necessary or desirable by the Board; provided, however, that nothing contained in the Master Resolution shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in the Master Resolution so as to:

- (1) Grant to the owners of any Outstanding Parity Obligations a priority over the owners of any other Outstanding Parity Obligations; or
- (2) Materially adversely affect the rights of the owners of less than all Parity Obligations then Outstanding; or
- (3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

Notice. If at any time the Board shall desire to amend the Master Resolution pursuant to the provisions of described under “*Amendments With Consent*” above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York or the State of Texas once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if the Board gives or causes to be given such notice in writing, by certified mail, to each owner of Parity Obligations. Such publication is not required with respect to amendments to the Master Resolution effected pursuant to the provisions described under “*Amendment Without Consent*” above.

Amendments to Seventeenth Supplement. In addition to the foregoing, the Seventeenth Supplement provides that no provisions shall be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in the Seventeenth Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by Outstanding Bonds;
- (3) Reduce the amount of the principal payable on Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

Defeasance. Deemed Paid. Any Parity Obligations and the interest thereon shall be deemed to be paid, retired, and no longer Outstanding (a “*Defeased Debt*”) within the meaning of the Master Resolution, except to the extent hereinafter provided below, when payment of the principal of such Parity Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent in accordance with an escrow agreement or other similar instrument (the “*Future Escrow Agreement*”) for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Board with the Paying Agent for the payment of its services until all Defeased Debt shall have become due and payable. At such time as a Parity Obligation shall be deemed to be a Defeased Debt under the Master Resolution, as aforesaid, such Parity Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of the Master Resolution to the contrary, any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in clauses (i) or (ii) above shall not be irrevocable; *provided, that* in the proceedings providing for such payment arrangements, the Board expressly (1) reserves the right to call the Defeased Debt for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

Investments. Any moneys so deposited with the Paying Agent may at the written direction of the Board be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent that is not required for the payment of the Parity Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board, or deposited as directed in writing by the Board. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Debt may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in clauses (i) or (ii) described above under “*Deemed Paid*”. All income from such Defeasance Securities received by the Paying Agent which is not required for the payment of the Defeased Debt, with respect to which such money has been so deposited, shall be remitted to the Board or deposited as directed in writing by the Board.

Selection of Parity Obligations. In the event that the Board elects to defease less than all of the principal amount of Parity Obligations of a maturity, the Paying Agent shall select, or cause to be selected, such amount of Parity Obligations by such random method as it deems fair and appropriate.

Continuing Duty of Paying Agent and Registrar. Until all Defeased Debt shall have become due and payable, the Paying Agent and Registrar for such Defeased Debt shall perform the services of Paying Agent and Registrar for such Defeased Debt the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services.

APPENDIX D

FORM OF BOND COUNSEL OPINION